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TODAY: STAGE The Tap Revival, Page 10

Consumer Confidence At 28-Year High in U.S.

Economy Running Full Steam, Report Says, But Analysts Warn Inflation May Heat Up

Compiled by Our Staff From Dispatches

NEW YORK — Consumer confidence in the U.S. economy rose to a 28-year high in December, a sign the economy will begin 1998 with a full head of steam, according to an influential research report released Tuesday.

The Conference Board's index of consumer confidence increased in December to 134.5 from a revised 128.1 in November. The figure, the highest since 1969, was well above Wall Street's expectations for the month.

A separate Conference Board index gauging consumer expectations for the next six months also rose in December, to the highest level since April 1984.

"The strength in the U.S. economy, especially of the labor market, continues to lift consumers' spirits and bolster their expectations," said Lynn Franco, a Conference Board economist. "Consumers are clearly entering the new year extremely satisfied with ongoing conditions, and have high expectations for 1998."

Although consumers feel secure about the U.S. economic climate, economists and investors worry that continued robust growth may spur inflationary pressures.

Those concerns were evident in the bond market Tuesday, where prices fell and yields rose on the 30-year Treasury bonds, a gauge for long-term consumer and business borrowing costs.

Stock prices, however, climbed higher, continuing Monday's rally. The Dow Jones industrial average closed 123.56 points higher at 7,915.97.

"Consumers see favorable employment conditions and they are making more money," said Dan Seto, an economist at Nikko Securities International Co. "That's providing some good momentum going into 1998."

The consumer confidence index is derived from responses to questions sent to 5,000 households nationwide.

Consumer sentiment is important because consumer spending accounts for two-thirds of the nation's overall economic activity.

But high levels of consumer confidence do not necessarily translate into strong retail sales, as exemplified by the disappointing results from the 1997 holiday shopping season.

Consumers said jobs were more plentiful in December and fewer said they had trouble finding employment com-

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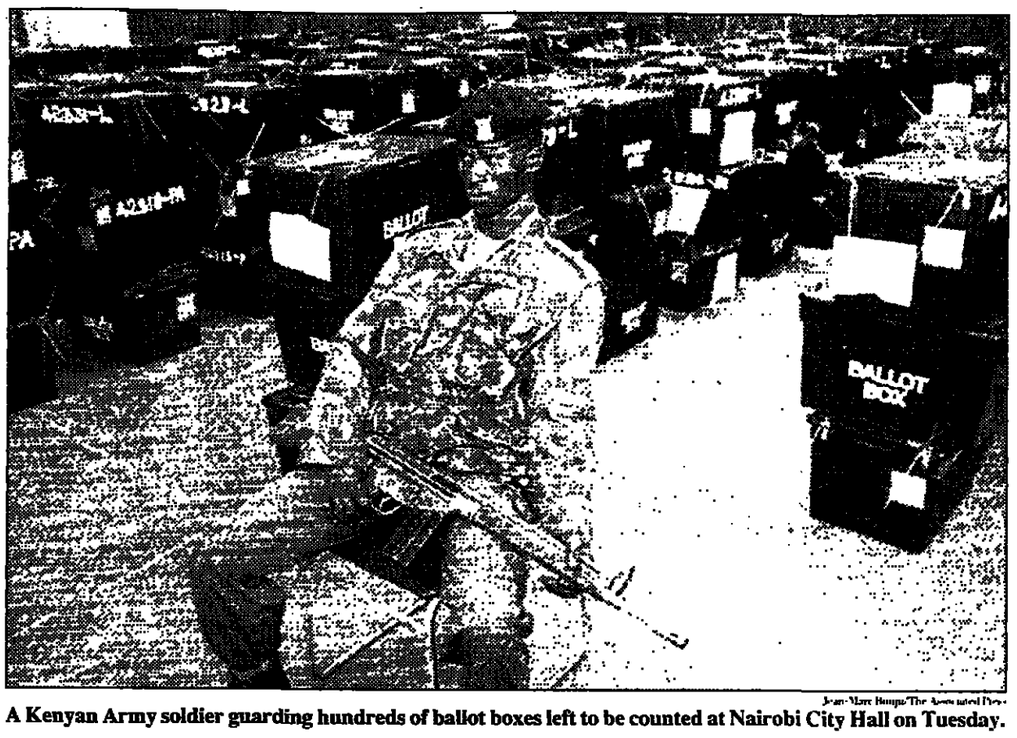
The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.7885	1.7895
Pound	1.656	1.6718
Yen	130.13	129.31
FF	5.987	5.9885

The Dow		
	Tuesday close	previous close
+123.56	7915.97	7792.41

S&P 500		
change	Tuesday @ 4 P.M.	previous close
+17.47	970.84	953.37



Jean-Marc Bouju/The Associated Press

A Kenyan Army soldier guarding hundreds of ballot boxes left to be counted at Nairobi City Hall on Tuesday.

Poll Chaos Puts Kenya In Crisis of Credibility

Errors in Balloting Sap Public's Confidence; Rigging Charges Mount

By Stephen Buckley
Washington Post Service

NAIROBI — Confusion continued to plague Kenya's general elections Tuesday as political analysts said that the chaos surrounding the vote had severely — and perhaps irretrievably — damaged the credibility of the poll.

Opposition parties and the governing Kenya African National Union, or KANU, accused each other of rigging the election, as numerous polling stations opened for a second day after widespread irregularities Monday.

At least two people died in election-related violence Monday, and there were reports of increasing tension Tuesday in parts of western Kenya.

Kenya has had political turmoil throughout the year, and analysts fear this election could spur more unrest.

President Daniel arap Moi, who restored a multiparty system to Kenya in 1991 after 25 years of single-party rule, is seeking his final five-year term. He took power in 1978.

On Monday, thousands of Kenyans could not vote because lost ballot boxes and insufficient numbers of ballots led to numerous polling stations opening late or not at all. International observers believe that perhaps 25 percent of the country's 210 constituencies were affected by logistical problems.

On Tuesday, voting stations that did not complete voting Monday reopened. But confusion continued to hang over the election, as some places reportedly still had not received ballots or received them late in the day. In some places, ballot-counting was well under way, while in others it had not yet begun.

A day after major opposition candidates accused the electoral commission of rigging the vote to favor the governing party, officials of Mr. Moi's party alleged that many areas dominated by their voters also had experienced irregularities.

Mr. Moi charged that the commission had committed "fraud," while a party spokesman said that "KANU areas were targeted by elements within the opposition to disrupt, frustrate and disenfranchise voters sympathetic to KANU."

Geoffrey Kathurima, a top KANU official, said that Mr. Moi's party would not seek to throw out election results. "We know we are winning," he said.

Political analysts and international observers said it appeared to be true that areas in which the governing party is strong were affected by irregularities as least as much as in opposition strongholds. But analysts said the allegations of rigging had become increasingly irrelevant, as the plethora of errors probably had sapped Kenyans' confidence in the election.

"It's really chaotic," a Western dip-

See KENYA, Page 6

European Banks Pitch In to Help South Korea

Issei Inouye/The Associated Press

Traders bowing to each other after the Tokyo Stock Exchange closed Tuesday. The Nikkei Stock Average rose 483.52, to close at 15258.74.

Compiled by Our Staff From Dispatches

AMSTERDAM — South Korea was thrown its second lifeline in two days on Tuesday when top European banks agreed to roll over a mountain of its short-term debt. Other international banks were expected to join the rescue effort.

Officials of leading French and Swiss banks said they would join their Dutch counterparts, who had announced they would roll over South Korean debt due Wednesday. Major lenders in the United States and Japan were expected to follow suit within 24 hours.

The Swiss and French banks agreed to a one-month rollover, while the Dutch institutions had not put a date on the debt extension. None of them specified the value of loans being rolled over.

On Monday, in an effort that reflects the global importance of Seoul's economy, the most influential commercial and investment banks gave its borrowers a one-month reprieve on up to $15 billion of troubled loans that are due by the end of the year.

Sources familiar with the talks told The New York Times that after January, the bad loans will be repackaged as bonds backed by the government and sold to commercial and investment banks.

World regulators, meanwhile, are concerned that South Korea's own lenders not use the enormous rescue operation as an opportunity to rid themselves of bad loans. Repackaging those loans as bonds is seen as a mechanism that would shift the risk of nonpayment to investors willing to buy them. But the main reason for repackaging the loans as bonds is to convert short-term debt into long-term debt. That would ease Seoul's liquidity crunch.

Meanwhile, more than 100 South Korean companies have 2.2 trillion won ($1.5 billion) of bond payments due by Wednesday, a deadline that may prove an insurmountable obstacle for companies teetering on the edge of bankruptcy.

South Korean bankruptcies reached a

See KOREA, Page 6

Lesson of That United Airlines Flight

While Aloft, Surest Way to Stay Safe Is to Keep Seat Belt Fastened

By Don Phillips
Washington Post Service

WASHINGTON — It came without warning, possibly never registering on the cockpit weather radar.

The "event," apparently clear-air turbulence, slammed the United Airlines jet so violently that unbuckled passengers and flight attendants were thrown about the cabin. Some hit the roof, one woman was killed, and 102 other people were injured aboard the Tokyo-Honolulu flight Sunday night.

Although turbulence is all but impossible to detect or even predict, federal officials say that it causes nonfatal injuries to more airline passengers and crew members every year than any other event involved in flying.

About half of turbulence is "convective" and generally occurs near thunderstorms, but the other half is called "clear air" turbulence because it strikes from a seemingly clear sky with no warning.

Turbulence, which is movement of air much like the movement of waves and currents in the ocean, can be caused by numerous factors other than thunderstorms. The boundary of jet streams — fast-moving airflows in the upper atmosphere — can produce severe clear-air turbulence. There also are areas of "vertical shear" as two air masses move in opposite directions near each other. Air flow over mountains can produce turbulence downwind, often for hundreds of miles.

Statistics show that major turbulence events are far more common than one might expect, occurring perhaps every other day. Some incidents do not produce injuries, but some result in broken bones, ruptured internal organs and cuts. Almost all injuries are to people not wearing seat belts.

The Federal Aviation Administration says it receives an

See ALOFT, Page 6

AGENDA

Hostage Drama at a Milan Bank Ends

MILAN (AP) — After a 25-hour standoff, a disgruntled customer armed with a hand grenade and a pistol released the last of four bank employees he was holding hostage Tuesday, and was captured after firing at the police officers who tried to force him out, the authorities said.

Two police officers and the hostage-taker, Domenico Gargano, were wounded, apparently none of them seriously, a police official said. Mr. Gargano, who had been turned down for a loan, had demanded millions of dollars and a helicopter to drop the money over Milan.

Paulo Whitaker/Reuters

SIEGE IN BRAZIL — Inmates threatening to hang a fellow prisoner, right, from the roof of a prison near Sao Paulo on Tuesday. Reports said about 15 inmates took 650 hostages and vowed to kill them if the authorities did not provide an armored car and more weapons.

Happy New Year

Because of the New Year's holiday, this is a combined issue of the IHT. Regular publication resumes with Friday's paper.

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The Intermarket ..... *Page 5.*
The IHT on-line www.iht.com

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Signs of a Slowdown in China

U.S. Judge Frees Hutu Tied to Killings

He Rules That Right To Extradite Is Missing

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — In the days after the ethnic slaughter broke out in Rwanda in 1994, when neighbor had turned against neighbor, people in the town of Mugonero say the local Tutsi still trusted one pastor enough to hide in a church and hospital compound at his urging.

Once men, women and children had gathered there, however, the clergyman, Elizaphan Ntakirutimana, came back with a well-armed band of Rwandan soldiers and militiamen to add hundreds more Tutsi victims to the genocide's gruesome tally, according to an indictment issued against him by an international tribunal.

He was arrested in 1996 in Texas, where he had fled to live with a son, and it seemed that he would be sent for trial on charges of genocide and crimes against humanity before the tribunal, set up by the United Nations in Arusha, Tanzania.

That is, until a Texas judge set Mr. Ntakirutimana free earlier this month.

The decision, by Judge Marcel Notzon, in a district court in Laredo, not only freed the pastor but also jolted U.S. efforts to cooperate with both the Rwanda tribunal and another tribunal for war crimes in the Balkans. It also provided a slap to Rwandans seeking justice for the genocide, which left some half a million people dead.

The judge called a 1996 agreement between the United States and the tribunals, passed as part of a bill in Congress, unconstitutional.

Extraditions, Judge Notzon ruled, have historically been negotiated between nations and are covered by formal treaties made "with the advice and consent of the Senate."

"It is undisputed that no treaty exists between the United States and the Tribunal," he said. "The absence of a treaty is a fatal defect in the government's request that the extraditee be surrendered."

[The Clinton administration promised Tuesday to take action to secure the extradition, Reuters reported from Washington.

["It's a serious matter," a State Department spokesman, James Foley, said. "We intend to fulfill our international obligations and we look forward to being able to effect this indictee's transfer

See RWANDA, Page 6

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	18 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Dm
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

A Yugoslav War Novel for the 'Doomed Generation'

By Chris Hedges
New York Times Service

NOVI SAD, Yugoslavia — Every age has its voice. The time before the wars that rent Yugoslavia was one of bombastic nationalistic cant.

During the war came the strident calls for patriotism, blood and vengeance. In peace, those who provided the fodder for the conflict, already labeled "the doomed generation," have begun to speak with a dark cynicism of the societies that sent them to battle.

The novel that best seems to typify this anger and alienation is "Esmarch," named for a tourniquet. Its author, Vladimir Jokanovic, is a 26-year-old medical student who fled Croatia during the war and now lives in this northern Serbian city.

"It is a story about the limits of friendship," Mr. Jokanovic said, peering through small black-rimmed glasses. "No relationship can endure too much pressure. To the outsider this was a war between Serbs, Muslims and Croats, but it was as much an internal as an external conflict.

"It became every man for himself. It distorted and changed every aspect of life until the town you grew up in was no longer recognizable. If I have any fundamental point to make about the war it is that it was a colossal waste of time."

Mr. Jokanovic's parents, both doctors, provided him with a mixed heritage: His father is a Serb; his mother ethnic Hungarian and Croatian. He left newly independent Croatia in 1991, mostly to avoid the draft and, like his main character, Luka, spent the rest of the conflict in Serbia. He says he has no ethnic loyalties, and in his novel he ridicules, often in vulgar slang, all of the nationalist movements, portraying their leaders as misfits, criminals, cowards, thieves and drunkards.

His novel is written in Serbo-Croatian in plain, almost documentary prose and eschews grand themes, much like the writings of Jokanovic's own favorite authors, J. D. Salinger and the Croatian Miroslav Krleza, who once wrote, "God save me from Serb heroism and Croatian culture."

Its story of young men and women of various ethnic groups who live on the margins of society in the eastern Croatian city of Osijek has been well received

See BALKANS, Page 7

Fowl Slaughter Runs Into Delay In Hong Kong

By Keith B. Richburg
Washington Post Service

HONG KONG — A shortage of poison gas containers and a lack of experience in killing led to unexpected delays Tuesday in Hong Kong's mass slaughter of chickens.

Only about half the territory's 1.3 million birds were destroyed after an operation that began Monday to stem the spread of a deadly avian virus.

But officials pledged that Hong Kong's entire chicken population would be wiped out by Wednesday.

"No chickens will be allowed to walk free in the territory," said Lessie Wei, the director of agriculture and fisheries. "You won't spot any chickens walking around free."

The Hong Kong government also for the first time said openly — if reluctantly — what many scientists and others have long suspected: that mainland China was the most likely source of the avian influenza that has killed four people here and caused widespread fears of a possible global pandemic.

"It is probable," said Mrs. Wei, when asked about China's likely role as the epicenter of the outbreak.

On Tuesday, Hong Kong said it would extend indefinitely its ban on chicken imports from China until a rigid new system was in place to make sure the birds were virus-free.

Health experts and scientists said the most likely transmission for the virus, known as H5N1 or "bird flu," was from birds to humans, and the Hong Kong

See FLU, Page 4

Seafloor Oases / **Rich in Minerals (and Life)**

Conflicting Claims to a Strange, Deep World

By William J. Broad
New York Times Service

NEW YORK — The volcanic hot springs of the deep sea are dark oases that teem with blind shrimp, giant tube worms and other bizarre creatures, sometimes in profusions great enough to rival the chaos of rain forests. And they are old.

Scientists who study them say these odd environments, first discovered two decades ago, may have been the birthplace of all life on Earth, making them central to a new wave of research on evolution.

Now, in a moment that diverse ranks of experts have feared and desired for years, miners are invading the hot springs, possibly setting the stage for the last great battle between industrial development and environmental preservation.

The undersea vents are rich not just in life but in valuable minerals like copper, silver and gold. Indeed, their smoky chimneys and rocky foundations are virtual foundries for precious metals. The copper lodes of Cyprus, for example, worked since the days of the Greek city-states, are just one concentration of metal nudged above sea level by geological forces.

The fields of undersea gold have long fired the imaginations of many scientists and economists, but no mining took place, in part because the rocky deposits were hard to lift from depths of a mile or more.

Now, however, miners have staked the first claim to such metal deposits after finding the richest ores ever. The estimated value of copper, silver and gold at the South Pacific site is up to billions of dollars. Environmentalists, though, want to protect the exotic ecosystem by banning or severely limiting mining.

"This has always been out in the future somewhere," said Sylvia Earle, a prominent marine biologist and deep-sea explorer, of efforts to mine the sea's volcanic zones. "Now it's here."

The mining claim was made by Nautilus Minerals Corp., a company run by Australian businessmen in cooperation with Australian government scientists. In late November, it won title to nearly 2,000 square miles (5,200 square kilometers) of the territorial waters of Papua New Guinea and is now exploring the region for volcanic riches. Its efforts were announced just before Christmas.

The company plans to start taking preliminary hauls of 10,000 tons in the next two years and to begin commercial mining in the next five if the region's deep-hot springs turn out to be as wide and rich as preliminary studies indicate. Sample ores are up to 26 percent zinc and 15 percent copper, with seven ounces of silver to the ton and about one ounce of gold — bonanza figures by land standards.

"It has worldwide implications," A. Geoff Loudon, the company's chairman, said of the discovery.

Strangest of all were snakelike creatures that stood upright in long tubes, massed in dense thickets. Their bright red tops protruded from the white tubes like lipstick. The tube worms had no eyes, no mouths and no obvious means of locomotion or ingestion. They just stood there like aliens from another planet.

Eventually, scientists realized that these deep ecosystems were powered not by sunlight but by the planet's inner heats and chemicals.

On land and sea, plants capture the Sun's energy in photosynthesis and, when eaten, pass that energy onto animals, including humans. But in the dark ecosystems, plants and animals thrive on such chemicals as hydrogen sulfide, a strong poison to surface life that stinks of rotten eggs.

As riots of unfamiliarity were found throughout the global deeps, scientists theorized that life may have begun at the volcanic springs, nurtured by a steady diet of warm chemicals and protected from hurtling rocks and blasts of radiation from outer space that pounded the planet's surface in its early days.

Later, scientists found microbes thriving in the hot waters whose genetic blueprints suggested that they were the most primitive life on Earth, descending directly from the planet's first inhabitants.

In the early 1980s, the situation grew politically complex as gold and other rare metals were discovered to lace the foundations of the dark ecosystems. The concentrations were much greater than those of the manganese nodules that litter the global seabed and first prompted dreams of deep mining. But nothing came of that vision. Land supplies turned out to be more plentiful and accessible than the manganese nodules.

The new glitter formed atop volcanic rifts that were found to wander over more than 40,000 miles (65,000 kilometers) of the global seabed. Hundreds and perhaps thousands of rich deposits are believed to have developed atop them as water percolated up through hot rocks, hit icy sea water and, by precipitation, built up eerie mounds laced with rare metals.

Infatuated with the prospect of new riches, the Reagan administration in 1983 and 1984 tried to entice industry into mining a volcanic region off the West Coast. But that raised howls of protest from environmentalists, who attacked it as a catastrophe of death and pollution for the coastal zone and the unexplored ecosystems of the hot springs.

Jack Dymond, a geochemist at Oregon State University who helped discover the volcanic seabed, played a vocal part in the debate, urging caution. "Some people think these organisms are like weeds," he said. "Not me. I think they make up extraordinarily beautiful areas that should be preserved as national parks."

As it turned out, industry showed no interest in the Reagan administration plan, viewing it as too risky, speculative and controversial. Today, more than a decade later, reverberations of that first skirmish still echo through the loose-knit community of sea activists and academics as Nautilus prepares to mine the depths off Papua New Guinea.

Environmentalists would ban seabed mining altogether or carefully regulate it. Ms. Earle, a former chief scientist of the National Oceanic and Atmospheric Administration, has argued that a significant part of the New Guinea site should be declared off-limits to mining, to preserve rare species and to give scientists a good way to judge the extent of changes to the dark habitat.

But miners note that some recent discoveries play favorably to their interests. For instance, the dense aggregations of life turn out to be quite transitory, coming and going with the sporadic burst of volcanic heat. Some of the fields of chimneys off Papua New Guinea are cold and lifeless. By gathering up such cold deposits, as well as hot ones, Nautilus hopes to do what no one else has ever done before in the deep sea — amass a fortune in gold, silver and copper.

Some experts hold that the volcanic rifts there also harbor living riches that could give the miners a vested interest in preserving some of the wilds in as pristine a state as possible. Unusual microbes that inhabit the hot zones have body parts that are speeding the biotechnology revolution and making some industrialists rich. Indeed, by weight, these single-celled organisms are worth far more than gold. Their heat-stable enzymes are used in the polymerase chain reaction, a cornerstone of genetic engineering. The harvest of microbes is speeding up.

Miners have staked the first claim to deep-sea metal deposits after finding the richest ores ever. Environmentalists, though, want to protect the sites.

Japan is mapping the volcanic regions of its deep waters with an eye toward exploiting them, experts say. Such riches are especially attractive to a giant of industry with few mineral riches on land.

"They are a resource-deficient nation in terms of land and see their future under the ocean," said Peter Rona, a marine geologist at Rutgers University who pioneered explorations of volcanic hot springs and has tracked the rising interest in mining them.

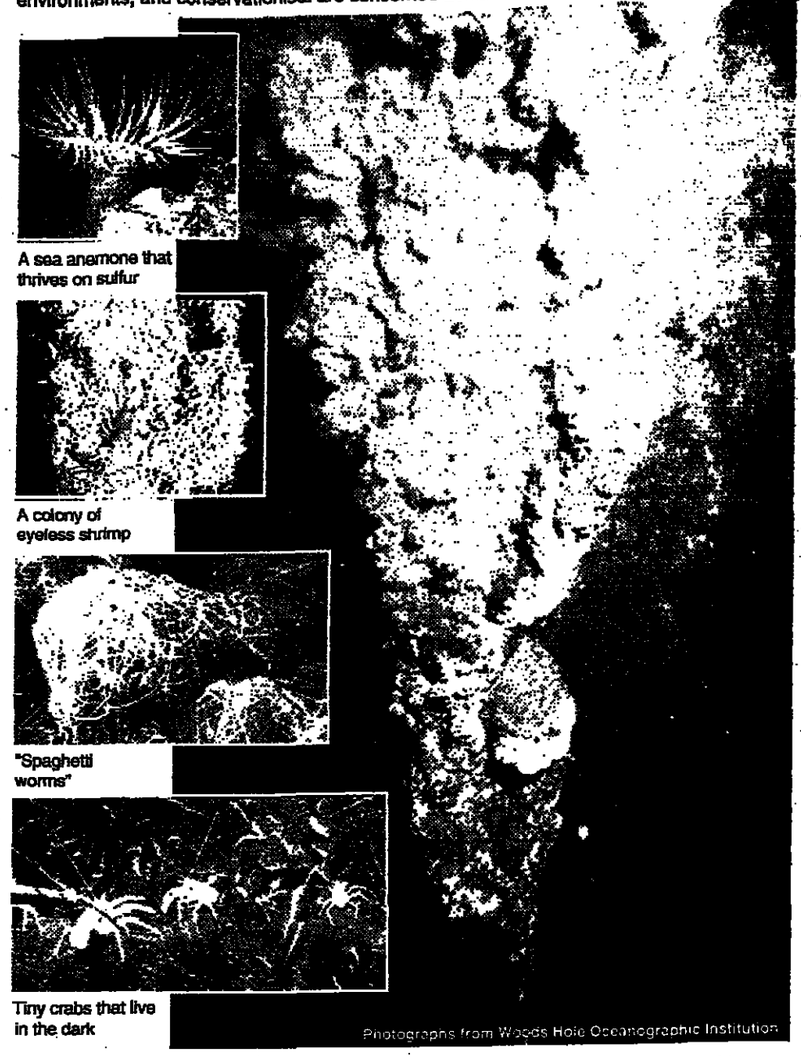
EXPERTS WORRY that despite research on how the extraction of minerals and metals from the volcanic deposits might affect deep creatures, prospective miners may repeat some of the past abuses and ecological tragedies that haunt mines on land.

"The big issues are environmental," Mr. Rona said. "That's a very delicate ecosystem and a genetic pool that we're just starting to understand in terms of the evolution of life. Each of these sites is precious."

The first was discovered in 1977 off the Galapagos Islands, where the sea's darkness was found to swarm with life. Red shrimp, white crabs and tiny lobsters darted about. Big pink fish undulated by. Pale sea anemones bore long tentacles and huge clam shells lay stark white against black lava. Hundreds of brown mussels were clustered so thickly around the springs their bodies channeled the shimmering water.

Alien Ecosystems: Mineral Riches and Strange Forms of Life

Rich deposits of highly concentrated minerals flourish in hot vents, called "black smokers" in volcanic areas at the seafloor. For the first time, miners have laid claim to an area rich in such deposits. But strange creatures that can be found nowhere else live in these environments, and conservationists are concerned about their future.



A sea anemone that thrives on sulfur

A colony of eyeless shrimp

"Spaghetti worms"

Tiny crabs that live in the dark

Photographs from Woods Hole Oceanographic Institution

Iran Chief Opens a Gas Pipeline to Neighbor, Weakening U.S. Lever on Tehran

By Steve LeVine
New York Times Service

KORPEDZHE, Turkmenistan — With a turn of a tap wrapped in red velvet, President Mohammed Khatami of Iran on Monday began the flow of natural gas to his nation from the Caspian Sea Basin.

The opening of the 125-mile (200-kilometer) pipeline gives Iran access to the world's largest untapped energy reserves. The new pipeline also weakened one of the strongest levers Washington has wielded in its attempts to isolate Iran and punish the country for supporting terrorist groups and trying to acquire nuclear weapons.

The $190 million pipeline will carry some 12 billion cubic feet (3.3 million cubic meters) of natural gas a year from a desert field here to the northeastern Iranian town of Kurd Kui. Turkmenistan, a nation of 4 million people with the world's fourth-largest natural-gas reserves, plans to double the volume by 2006.

Mr. Khatami told Turkmen officials gathered on this forbidding flat of salt and sand, "This pipeline is a sign of a strengthening of your independence and a diversification of export outlets for your rich gas reserves."

Turkmenistan will see no profit from the natural-gas sales for more than a year, because Iran financed the pipeline's construction and several months of gas deliveries will be used to pay off Turkmenistan's debt.

But, to this poor republic, the pipeline is still priceless. Until four years ago, Turkmenistan's natural gas was exported to Europe through pipelines that traversed Russia; in 1993, the country earned $1.2 billion from these sales.

But in December 1993, Moscow clamped shut the pipelines as part of a reassertion of its Soviet-era domination of the Caspian. That left Turkmenistan starved for cash.

So, Monday's pipeline opening shattered more than one blockade.

Julia Nanay, an analyst with the Washington-based Petroleum Finance Co., said, "It's a victory for Iran over the United States, over Russia, and a victory for Turkmenistan as well, because it's the first to get its reserves to market through a non-Russian pipeline."

The countries of the Caspian Basin, particularly Azerbaijan and Kazakhstan, have attracted a great deal of Western investment in oil and gas development.

But, in offering diplomatic support for a pipeline system bypassing the Russian blockade, President Bill Clinton has made it his policy to oppose the export of any of the oil or gas across Iran. The United States severed its relations with Iran after the nation's 1979 Islamic revolution.

Washington's stance has rankled both U.S. and foreign oil companies, most of which say that the cheapest route for a pipeline from Azerbaijan or Turkmenistan would be through Iran.

"The American position is untenable," said Tony Craven-Walker, chairman of the British-based Monument Oil, which is developing a large oil field in Turkmenistan.

"It will have to change," Mr. Craven-Walker said. "And it will one day."

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France	0800902246	Greece	08001912139113	Germany	0130829966
Hong Kong	800967209	Israel	1771800102	Italy	167875828
Japan	0031126809	Korea	0038110243	Luxembourg	08004532
Mexico	9580098784178	Netherlands	0800208657	N. Zealand	0800441880
Portugal	058112632	Singapore	8001202501	S.Africa	0800996337
Spain	900931007	Sweden	0207993158	Switzerland	0800897233
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TRAVEL UPDATE

Paris Gets Trains Back on Track

PARIS (AFP) — Rail services in and out of the Gare du Nord in the French capital, including the link with the Roissy-Charles de Gaulle airport, will be back to normal Wednesday after a fire that damaged electrical cables, the state-owned SNCF network said Tuesday.

Service to and from the airport was still disrupted Tuesday and only two out of three suburban trains were operating, the authorities said. The fire Saturday afternoon damaged cables used for lights, signals and shunts over a distance of one kilometer (half a mile) from the station.

Strike Looms at Italian Airlines

ROME (Reuters) — Pilots at Alitalia and its subsidiary Alitalia Team will stage a four-hour strike on Jan. 16, union sources said. They said the stoppage, planned for 11 A.M. to 3 P.M. in a dispute over contracts, would affect all national and international departures.

Nepal will waive the fees it charges to climb 19 Himalayan peaks, hoping to promote tourism. The Ministry of Tourism said fees would be dropped in 1998 and 1999 on mountains ranging from 5,765 meters (19,025 feet) to 7,100 meters. *(AFP)*

An epidemic in northeastern Kenya that has killed up to 250 people is not a threat to tourists and travel restrictions to the country are not necessary, the World Health Organization said Tuesday. The organization suspects anthrax or yellow fever to be the cause. *(AFP)*

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
A bit of Arctic cold will drop south into the northern and central Rockies, but in contrast, the southeastern United State's readings should be higher than normal. No major storms are forecast across the United States and Canada, resulting in no major delays.

Europe
An active storm track will bring high winds and rain to the British Isles Thursday through Saturday. Travel delays to London, Glasgow and Dublin are likely due to wind and rain. Travel across western and southern Europe will be unhampered as high pressure bring sunshine.

Asia
Very cold air will seep southward from Siberia resulting in lower than normal temperatures for Manchuria and eastern China. A good deal of rain will fall along a stationary front along the south China coast. The tropical regions of Asia will be warm and humid with no major storms.

Maps, forecasts and data provided by AccuWeather, Inc. ©1997 • http://www.accuweather.com

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/65	5/41 r	11/52	11/52 c
Amsterdam	8/46	2/35 r	7/44	6/43 pc
Ankara	-3/27	-9/16 pc	-5/24	-8/18 sn
Athens	12/53	7/44 pc	14/57	8/46 pc
Barcelona	13/55	8/46 sh	9/48	6/43 sh
Belgrade	6/43	2/35 pc	8/46	3/37 c
Berlin	9/48	5/41 c	6/43	4/39 sh
Brussels	8/46	3/37 r	7/44	6/43 c
Budapest	6/43	4/39 c	9/48	6/43 c
Copenhagen	6/43	5/41 r	6/43	3/37 c
Costa Del Sol	14/57	7/44 sh	13/55	6/43 pc
Dublin	6/43	5/41 c	14/57	4/39 r
Edinburgh	7/44	2/35 c	11/52	4/39 r
Florence	11/52	7/44 r	11/52	7/44 sh
Frankfurt	8/46	4/39 c	6/43	4/39 sh
Geneva	7/44	4/39 sh	6/43	3/37 r
Helsinki	-3/27	-7/20 c	-2/29	-3/27 sn
Istanbul	5/41	2/35 pc	7/44	4/39 sh
Kiev	-2/29	-9/16 sn	-2/29	-3/27 c
Las Palmas	20/68	17/62 sh	20/68	17/62 pc
Lisbon	11/52	6/43 pc	11/52	10/50 sh
London	9/48	2/35 pc	6/46	5/41 r
Madrid	7/44	-3/27 r	7/44	3/37 c
Majorca	17/62	10/50 pc	12/53	7/44 r
Milan	5/41	3/37 r	7/44	3/37 sh
Moscow	0/32	-3/27 sn	-2/29	-7/20 c
Munich	7/44	1/34 pc	6/43	1/34 sh
Nice	13/55	11/52 sh	14/57	9/48 r
Oslo	0/32	-1/31 sn	2/35	-1/31 sn
Paris	8/46	-1/31 r	5/41	4/39 c
Prague	7/44	2/35 c	6/43	2/35 sh
Reykjavik	2/35	-1/31 sn	3/37	1/34 sn
Riga	-1/31	-2/29 c	2/35	1/34 sn
Rome	18/81	9/48 pc	14/57	8/46 c
St. Petersburg	-3/27	-7/20 sn	-2/29	-3/27 c
Stockholm	1/34	1/34 sn	4/39	-1/31 c
Strasbourg	9/48	6/43 c	6/43	4/39 sh
Tallinn	-2/29	-4/25 pc	0/32	-1/31 sn
Tbilisi	7/44	2/35 r	4/39	-2/29 sn
Venice	8/46	4/39 sh	9/48	4/39 sh
Vienna	8/46	4/39 pc	9/48	4/39 c
Warsaw	2/35	1/34 sn	6/43	2/35 sh
Zurich	7/44	5/41 c	6/43	4/39 r

Middle East

Abu Dhabi	27/80	16/61 pc	27/80	16/61 pc
Beirut	15/59	9/48 pc	12/53	6/43 pc
Cairo	18/64	10/50 s	19/61	7/44 pc
Damascus	10/50	2/35 pc	8/46	-2/29 pc
Jerusalem	10/50	1/34 pc	9/48	0/32 pc
Luxor	22/71	3/37 s	23/73	2/35 s
Riyadh	22/71	15/59 sh	24/75	13/53 pc

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-12/11	-17/2 pc	-12/11	-16/0 sf
Atlanta	4/39	-3/27 pc	8/46	-1/31 pc
Boston	0/32	-10/15 pc	-3/27	-7/20 s
Chicago	-4/25	-11/13 pc	1/34	-3/27 pc
Dallas	14/57	3/37 s	18/64	8/46 pc
Denver	12/53	0/32 s	12/53	-3/27 pc
Detroit	-3/27	-11/13 sf	-3/27	-7/20 pc
Honolulu	29/73	17/62 pc	29/79	18/64 pc
Houston	21/70	7/44 s	20/68	9/48 pc
Los Angeles	21/70	9/48 pc	18/64	8/46 pc
Miami	22/71	10/50 s	21/70	13/55 pc
Minneapolis	-9/16	-11/13 pc	1/34	-5/24 pc
Montreal	-13/9	-27/-16 sf	-19/-2	-21/-5 pc
Nassau	23/73	14/57 s	23/73	16/61 pc
New York	0/32	-8/18 pc	-2/29	-7/20 s
Orlando	19/66	2/35 s	17/62	7/44 pc
Phoenix	22/71	10/50 pc	21/70	9/48 pc
San Fran.	14/57	7/44 pc	11/52	4/39 r
Seattle	11/52	3/37 pc	8/46	2/35 c
Toronto	-12/11	-18/0 sn	-8/18	-11/13 pc
Vancouver	7/44	-9/27 sh	4/39	-1/31 pc
Washington	0/32	-7/20 pc	0/32	-7/20 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Almaty	5/41	-7/20 pc	-1/31	-8/18 sn
Bali	33/91	21/70 pc	34/93	22/71 s
Bangkok	34/93	22/71 s	33/89	21/70 pc
Beijing	8/46	-9/16 s	2/35	-4/25 pc
Bombay	29/82	17/62 s	29/82	18/64 pc
Calcutta	23/73	12/53 pc	24/75	11/52 pc
Chiang Mai	33/89	14/57 s	31/88	16/61 s
Colombo	29/84	22/71 pc	28/82	23/73 r
Hanoi	26/78	20/68 pc	24/75	19/64 pc
Ho Chi Minh	33/91	22/71 s	32/89	22/71 s
Hong Kong	24/75	19/66 pc	23/73	18/64 pc
Islamabad	16/61	-1/31 s	16/61	1/34 s
Jakarta	29/84	23/73 pc	29/84	23/73 pc
Karachi	23/73	6/43 s	24/75	7/44 s
K. Lumpur	29/84	23/73 t	30/86	23/73 r
K. Kinabalu	28/82	23/73 t	28/82	23/73 r
Manila	30/86	18/66 pc	29/84	18/66 s
New Delhi	17/62	1/34 s	19/66	2/35 s
Phnom Penh	32/89	22/71 s	30/86	21/70 s
Phuket	34/93	23/71 s	32/89	21/70 pc
Rangoon	33/91	17/62 s	32/89	17/62 s
Seoul	3/37	1/34 pc	3/37	-9/16 pc
Shanghai	11/52	9/48 r	9/48	2/35 pc
Singapore	27/80	23/73 r	28/82	23/73 sh
Taipei	23/73	19/66 c	24/75	16/61 pc
Tokyo	8/48	6/43 s	12/53	10/50 r
Vientiane	32/89	17/62 s	30/86	15/59 pc

Africa

Algiers	21/70	8/46 pc	16/61	8/46 r
Cape Town	28/79	14/57 s	23/73	14/57 s
Casablanca	14/57	9/46 sh	13/55	7/44 pc
Harare	27/80	7/44 s	29/84	8/46 s
Lagos	32/89	24/75 c	32/89	24/75 pc
Nairobi	26/79	16/61 c	25/77	14/57 sh
Tunis	20/68	11/52 pc	19/66	9/48 c

Latin America

Buenos Aires	21/70	12/53 c	23/73	15/59 pc
Caracas	27/80	17/62 s	26/79	18/64 s
Lima	27/80	21/70 sh	27/80	22/71 sh
Mexico City	21/70	4/39 s	17/62	5/41 sh
Rio de Janeiro	29/84	22/71 pc	29/84	24/75 pc
Santiago	29/84	9/48 s	29/84	11/52 s

Oceania

Auckland	19/66	12/53 s	20/68	10/50 pc
Sydney	27/80	19/66 pc	29/82	21/70 s

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THE AMERICAS

Back to Oklahoma's Day of Horror

Jurors Hear Graphic Accounts as They Weigh Death Penalty for Nichols

By Jo Thomas
New York Times Service

DENVER — Jerry Flowers, an Oklahoma City policeman, crept into the darkened heart of the shattered Oklahoma City federal building and looked up at nine floors that had pancaked together.

"There were circles anywhere from two to three foot in diameter of blood, and the blood was coming down through the cracks," Mr. Flowers told a federal jury here Monday. "And we knew that, everywhere we saw that, there was a body that had been crushed between those floors."

The jurors who last week convicted Terry Nichols of conspiring to bomb the building were spared the details of what happened on the day of the bombing, April 19, 1995. But on Monday, as arguments began over whether Mr. Nichols should be sentenced to death, prosecutors began to present graphic accounts of suffering and loss among the hundreds who were hurt and the 168 who died.

The jurors heard of a woman buried alive, a man cut in half, a child decapitated. By the end of the morning, many jurors looked stunned, and, along with lawyers and spectators, were wiping away tears.

Unlike in the trial of Mr. Nichols's codefendant, Timothy McVeigh, who was convicted of conspiracy, murder and of bombing the building, and sentenced to death, in the trial of Mr. Nichols, the presiding judge, Richard Matsch, prevented prosecutors from presenting overly emotional testimony.

But on Monday, with a death penalty in the balance, Judge Matsch allowed such testimony and warned jurors several times that they must still be able to set aside their feelings when they decide Mr. Nichols's fate.

"It's contrary to human nature for me to tell you these things and for you to do them," Judge Matsch said. "But contrary to human nature or not, it's what you are obliged to do."

A prosecutor, Patrick Ryan, told jurors that the government would present about 60 witnesses and five videotapes over three days.

"We present this evidence to you not to evoke your sympathy," Mr. Ryan said. "These victims in Oklahoma City have had all the sympathy they can stand for the last two and a half years. We present this evidence so that you will be informed, so you will have the facts necessary to make an appropriate sentencing decision."

The conspiracy charge is a capital crime under a three-year-old federal law, but if Mr. Nichols is sentenced to death it would be the first time such a punishment was imposed under federal law without a first-degree murder conviction.

Mr. Nichols was acquitted of first- and second-degree murder charges and convicted of involuntary manslaughter instead in the deaths of eight federal law-enforcement agents in the building.

Judge Matsch will sentence him on the manslaughter charges. On the conspiracy charge, the jury may sentence Mr. Nichols to death, life in prison without parole, or have the judge give him a lesser sentence. Mr. Nichols was acquitted on charges of bombing the building and destroying it with explosives.

Michael Tigar, the lead lawyer for Mr. Nichols, told the jury Monday morning, that "a terrible and tragic and horrible thing happened" and warned them "what you are about to see is, to a geometric degree, it's exponentially, it's so much greater in impact than what you've already seen that it is impossible to describe."

But no jury, he said, "is supposed to figure if the punishment fits the crime." Instead, they must look at the defendant's role and his state of mind and at his life as an individual human being.

The prosecutors, Mr. Tigar said, "want 12 of you, all 12 — it takes 12 — to sign a paper that says that some morning or afternoon somebody should get Terry Nichols and kill him. We say that there are lots of reasons why all 12 of you should not sign such a paper."

In his opening statement, Mr. Ryan told the jury: "It would be tempting for you to think of this as one mass murder. Don't. These are 168 people that are all unique."

Mr. Flowers, the police officer, seemed stoic as he told of hearing a faint voice, begging for help, fade away under the debris and of finding a woman trapped in a wall, another caught in a hole slowly filling up with water, begging to be saved from drowning. But his voice cracked as he described having to leave the women because of a bomb scare, and being unable to find them afterward, although both were rescued.

He said his partner, Sergeant Don Hull, came out of the building carrying a blanket with a small child with "this look on his face that was incredible, a real stare, if you will, for lack of better words. I walked up to Don and asked him if he was O.K. And we walked together over to where the children's playground area was, and we opened up the blanket."

"And it was a small boy, about 6 years old," he said. They could not tell whether the child was a boy or a girl, Mr. Flowers said. As he looked, he "saw that he had a brown teddy bear on his chest, on his shirt that he was wearing, but his head — he had been decapitated."

Elizabeth Dalziel/The Associated Press

HEADING FOR REFUGE — A Tzotzil Indian woman and her family being escorted out of Puebla, in Chiapas state, as the federal police occupied the town to move residents to a refugee camp. The town had been terrorized by armed gunmen for months. In nearby Acteal, 45 Indians were massacred last week.

Unabom Defense Team Retreats

New York Times Service

SACRAMENTO, California — The lawyers defending Theodore Kaczynski in the Unabomber case have abandoned their effort to argue that he suffers from a "mental defect."

The action was a victory for the prosecution, which has been working to bar the argument that Mr. Kaczynski is a delusional paranoid schizophrenic. The prosecutors fought the argument because Mr. Kaczynski refused to be examined by government psychiatrists.

If Mr. Kaczynski is convicted, the defense could still assert during a penalty phase of the trial that he should not be executed because his mental illness provides a mitigating explanation for his actions. During a penalty phase, defense lawyers could theoretically present even a fuller picture of mental illness. But, because Mr. Kaczynski would probably continue to resist examination by government psychiatrists, prosecutors would very likely try to bar that effort as well.

Without a mental defect argument, the defense team is left to face an expected barrage of prosecution evidence linking Mr. Kaczynski to a series of package bombings that killed three people and wounded 28 others in an anti-technology terror campaign that began almost two decades ago, in 1978. In pre-trial sparring, Mr. Kaczynski's lawyers have often seemed on the verge of acknowledging that he was the Unabomber.

In 2 Years, Wolves Reshape Yellowstone

By Jim Robbins
New York Times Service

YELLOWSTONE NATIONAL PARK, Wyoming — Just two years after gray wolves were reintroduced to Yellowstone after what is believed to have been half a century's absence, they have dramatically made their presence felt.

They have killed half the coyotes in the area, forced elk to become more vigilant and provided many opportunities for scavengers to share their kills. Because there are fewer coyotes, rodents are more plentiful, a boon for predators like hawks and bald eagles, and overall biodiversity has sharply increased.

Research here on how a large ecosystem responds to the return of a major predator is unparalleled because officials knew far in advance that the wolves were coming back and began assembling data on the existing situation. Changes have never been seen before on this scale.

"It's exciting," said Robert Crabtree, a biologist who runs a private, nonprofit, research institute called Yellowstone Ecosystem Studies. He has conducted eight years of a planned 15-year study of the effects of wolves on the Yellowstone ecosystem.

"This is one of the great ecological experiments of this century," Mr. Crabtree said, "and the opportunity of a lifetime for an ecologist to answer the question of how large predators affect a system."

Thirty-three Canadian wolves were trapped and brought to Yellowstone in 1995 and 1996; there are now about 97.

On a recent bitterly cold morning at sunrise, Mr. Crabtree scoured the dun-colored prairie in the elk-filled Lamar Valley, home to three of the park's eight wolf packs. Mr. Crabtree, who began seven separate studies of different ecosystem components from two to five years before the wolves returned so he could study their impact, was looking through a spotting scope for coyotes.

Coyotes have suffered severely as a result of the reintroduction of wolves, Mr. Crabtree said. Since 1989, Mr. Crabtree and his wife, Jennifer Sheldon, an expert on canids and author of "Wild Dogs: Natural History of the Nondomestic Canidae," have radio-collared 179 coyotes, tracking their movements and gathering data.

In just two years, 50 percent of the pre-wolf population of coyotes has been killed. "They're being forced to shift their territories, and to give up their territories, and if they don't they get killed," Mr. Crabtree said.

There were 13 coyote packs with 80 individual coyotes in this remote valley. There are now nine packs with just 36 coyotes, a sudden change for a social structure that has been in place for 50 years.

Those coyotes that survive, he said, usually on the edge of wolf habitat, are flourishing because of the carcasses the wolves leave behind.

Although coyotes, at about 30 pounds (13 kilograms), are a third the size of the average wolf, they are not pushovers. Only when wolves outnumber coyotes do they attack. When coyotes outnumber wolves, they will sometimes attack wolves. As expected, the primary food source for the park's new predators is elk.

Republicans Set for New Abortion Fight

By Thomas B. Edsall
Washington Post Service

WASHINGTON — Last month, Republicans celebrated after winning the governor's race in New Jersey and mayoral contests in the nation's two largest cities, New York and Los Angeles. Next month, the Republican National Committee is to consider a proposal that would prohibit the party from providing financial support to any of those three victors.

The reason: their stands in favor of allowing a particular type of abortion. When the Republican National Committee holds its winter meeting in Palm Springs, California, starting Jan. 15, the resolutions committee will take up a proposal declaring that the national party will "not support financially or by in-kind contribution any candidate or nominee of this party who opposes measures to end so-called partial birth abortion."

Coming on the eve of the closely contested 1998 congressional elections, the issue threatens to become the latest manifestation of the political truism that abortion has been the most consistently divisive issue for Republican Party in the last two decades.

Tim Lambert, a Republican committeeman from Texas and sponsor of the resolution, said his goal was not to criticize any specific elected official, but to press the party to take a stand on an issue that he believes does not have two sides.

"This is not about individual candidates," Mr. Lambert said. "It is really not about abortion. It's about infanticide, it's about a procedure so gruesome the American Medical Association is opposed to it."

In partial birth abortion a surgeon pulls the fetus out of the birth canal feet first, punctures the head, removes the brain and collapses the skull so the fetus can be removed vaginally.

Mr. Lambert acknowledged that his proposal would mean cutting off funds to such two-term winners as Governor Christine Todd Whitman of New Jersey, Mayor Rudolph Giuliani of New York City and Mayor Richard Riordan of Los Angeles.

Mrs. Whitman vetoed a state ban on partial birth abortions in her first term. Mr. Giuliani has declared that New York state law should not be changed to outlaw the procedure. Mr. Riordan takes no official position on partial birth abortions, but he is considered a supporter of abortion rights by the National Abortion and Reproductive Rights Action League and an opponent of the ban.

In 1998, Republicans hope to hold on to a thin 11-seat majority in the House of Representatives, and abortion will probably be a crucial issue in some races.

Momentum, however, appears to be building behind the Lambert proposal.

The chairman of the Republican National Committee's resolutions panel, Charles Yob of Michigan, who had earlier signaled a reluctance to support imposition of litmus tests on the party's candidates, said in an interview that he now thinks he may back Mr. Lambert.

Mr. Yob said a clear majority of the resolutions committee was opposed to partial birth abortions and would almost certainly back Mr. Lambert.

POLITICAL NOTES

Poultry Firm Pleads Guilty

WASHINGTON — Tyson Foods Inc., the poultry giant, has pleaded guilty to giving the former secretary of agriculture, Mike Espy, $12,000 in illegal gratuities and has consented to pay $6 million in fines and costs. Tyson officials agreed to testify at Mr. Espy's coming trial.

Tyson Foods admitted to giving gifts to Mr. Espy — including football tickets, airline trips, meals and scholarship money for his girlfriend — at a time when his department was considering action on several matters affecting the company's business, including safe handling instructions on poultry packaging.

The plea agreement, obtained the independent counsel, Donald Smaltz, was approved by Judge Ricardo Urbina in U.S. District Court here. To avoid a trial, Tyson Foods said it would pay $4 million in fines and $2 million toward the cost of the investigation.

Don Tyson, the company chairman, and his son John Tyson were granted immunity from prosecution as part of the agreement. In addition, the company said it would comply with ethics requirements in dealing with federal officials, and as a result will not be subject to a ban on doing business with government departments. *(WP)*

Clinton Defends Accused Aide

WASHINGTON — President Bill Clinton has come to the defense of Ira Magaziner, a senior White House aide accused by a federal judge of giving dishonest testimony, even as conservative groups organized to turn Mr. Magaziner into a symbol of administration misconduct.

In a written statement late Monday, Mr. Clinton said: "I am quite confident that Mr. Magaziner acted appropriately." He pointed to a previous investigation by a U.S. attorney that found "no basis" to conclude that Mr. Magaziner committed a crime and "no significant evidence" that he had made, or even tried to make, a false statement. "Mr. Magaziner is, and will remain, a valued member of my administration," Mr. Clinton said.

On Dec. 18, Judge Royce Lamberth said that Mr. Magaziner and the administration had been "dishonest" in describing the secret procedures used to develop the president's health care proposals in 1993.

Mr. Magaziner defended his testimony, but Republicans said that the investigation by the U.S. attorney meant little compared with the judge's finding that Mr. Magaziner's statement was "actually false." *(NYT)*

Quote/Unquote

The independent counsel Donald Smaltz after Tyson Foods Inc. pleaded guilty to giving Mike Espy, the former agriculture secretary, $12,000 in illegal gratuities: "Our government is a government of all the people and not just the privileged few who seek to buy their way into regulatory grace." *(WP)*

Away From Politics

• **A former nurse who was on duty when dozens of hospital patients mysteriously died** was arrested in Newport, Indiana, and charged with killing six of them with injections. Orville Lynn Majors, 36, was on duty when 130 of 147 deaths occurred from 1993 to 1995. *(AP)*

• **The upper floors of a six-story building in Times Square in New York collapsed,** raining large pieces of concrete on an area that is jammed with people during the daytime. No one was hurt in the collapse, which happened at 5:20 A.M. The building was largely vacant and slated for demolition. *(AP)*

• **A plainclothes narcotics detective wearing a bulletproof vest survived** being shot once in the chest and twice in the stomach at point-blank range and wrestled the gunman to the ground after a routine drug bust in the Bronx turned violent, the police said. The detective, Wafkey Salem, 31, and his partner, Detective Lourdes Gonzalez, 28, were both shot and lightly wounded in the incident. *(NYT)*

• **A Greyhound bus collided with a pickup truck** at an intersection made slippery by rain and snow near Calera, Alabama, injuring about 30 people. *(AP)*

• **About 75 people, angered at Walt Disney Co.** for what they perceive as gay-friendly policies, held protests in Orlando and nearby Kissimmee, Florida. Some carried signs that read "Choose Jesus Over Mickey." *(AP)*

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ASIA/PACIFIC

Japanese Opposition: In Worse Disarray Than the Governing Party

By Nicholas D. Kristof
New York Times Service

TOKYO — Japan is in disarray politically and economically, lurching through a financial crisis as its prime minister plumbs new records of unpopularity. So where is the main opposition party in the world's second largest economic power?

Instead of rubbing its hands with glee, it is committing suicide.

The New Frontier Party, founded just three years ago, decided over the weekend to disband itself. Its leaders hope to resurrect it with a new name and membership, but the vacuum and chaos in Japan's opposition underscore the frailties of the political structure here.

Despite years of political upheavals and concerted efforts to nurture a two-party system, Japan still has no credible political party to challenge the governing Liberal Democratic Party and keep it on its best behavior. The lack of a two-party system means not only that the opposition is weak, but also that the Liberal Democratic Party, seemingly unconcerned with the opposition or with voters, can devote its energies to internal squabbles. While politicians and scholars agree that the lack of a strong opposition is a fundamental weakness in the Japanese political system, some believe that the latest moves may be a prelude to a political realignment that will finally generate a credible opposition.

"I am trying to bring together several groups to form a new coalition of opposition forces,"

NEWS ANALYSIS

Naoto Kan, perhaps Japan's most popular politician, said by cellular telephone as he bustled about Tokyo on Monday, negotiating with other players in the changing political landscape. "If we can get together, we may be able to establish a new opposition."

Mr. Kan, the head of a small opposition group called the Democratic Party, is enormously popular as an individual because of a stint as health minister in which he took on the national bureaucracy and won.

But his party has never attracted much backing. Now he is trying to recruit some of the New Frontier politicians as well as a couple of other small parties to establish a liberal political party that could emerge as the main political opposition to the Liberal Democrats, or LDP, who, despite their name, are generally conservatives.

"This is another sign of a realignment," Ikuo Kabashima, a political scientist at Tokyo University, said of the New Frontier's breakup. "Whether it's going to be leading toward a strong opposition party against the LDP, we'll have to see."

The Liberal Democrats would seem to be vulnerable, if only a credible opposition party could emerge. A poll this month by the Nihon Keizai Shimbun, the leading economic newspaper, found that support for the government of Prime Minister Ryutaro Hashimoto had dipped to 35 percent, its lowest level since Mr. Hashimoto took office two years ago. Disapproval rose to 45 percent, its highest level yet.

Moreover, while many Japanese are profoundly alarmed by the nation's economic troubles, Mr. Hashimoto has been absorbed by efforts to maintain the peace in his party and the governing coalition.

For many Japanese, it is a bit as if they were passengers in a plane with a couple of engine fires and what they hear over the loudspeaker is a fierce argument between the pilot and co-pilot about what to do next.

At this juncture, however, the passengers still seem unwilling to send in the opposition to take over the cockpit. The Nihon Keizai Shimbun poll found that the New Frontier Party had only 5 percent support, less than even the Communists.

Ichiro Ozawa, who was re-elected head of the New Frontier Party just before he decided to disband it, argued that the party was too broad to be coherent. He hopes to establish a new opposition party early in January, smaller but also shorn of the factions that led to internal bickering.

It remains to be seen whether Mr. Ozawa's new party will be smaller and more cohesive or simply smaller and less relevant. The ambiguities surrounding the new party are underscored by the contradictory names that are being considered for it. One possibility is that it will be called the Reform Party. Another is that it will be called the Conservative Party.

While most New Frontier members of Parliament will probably join Mr. Ozawa's new party, others are forming other new parties or joining other opposition groups. In an odd scene in an advanced democracy, opposition figures are scrambling to figure out what party they should be members of.

Yoshitake Masuhara, a New Frontier leader in Hiroshima, said he would spend New Year's Eve with eight other New Frontier figures from around the country to try to figure out what party to join.

Mr. Ozawa and the New Frontier Party attracted widespread sympathy over the last few years from American officials and business executives who saw Mr. Ozawa as Japan's best hope for opening up the economy and restructuring it along more market-friendly lines.

But most Japanese voters do not take Mr. Ozawa seriously as a reformer. They see him as a career operative in a corrupt and broken political machine and doubt that he really would dismantle it.

One of the central uncertainties is whether Mr. Ozawa's new party, whatever it is called, can capture public imagination any better than the New Frontier did.

"The problem hasn't been the name the of the party, or even the people in it, but the leader," said John Neuffer, a political analyst for a research institute in Tokyo. "Ozawa's not a very popular guy."

Seoul Security Forces Cast an Obsessive Net

Hard-Liners Take Dim View of Unity Talk

By Steven Mufson
Washington Post Service

SEOUL — Two years ago, a South Korean lawyer edited a book for elementary school children about North Korea called, "Hey, You Know, I'm the First Generation of Unification." But what happened to him afterward was not child's play.

An article in a conservative publication last July accused the lawyer, Lee Jang Hie, of being pro-North Korea — the Stalinist state that has been the South's bitter enemy since the Korean Peninsula was divided after World War II.

On Nov. 26, Mr. Lee was seized by five plainclothes policemen at the Seoul airport as he returned from a trip to Tokyo. They grabbed his arms, took his luggage, stuffed him into a car and tossed him into a cell in the Seocho police station near Seoul District Court.

They took his belt, watch and wallet and left him barefoot with three other criminal suspects. A judge ordered Mr. Lee's release that same night, but since then he has been subjected to threatening phone calls and another police raid.

The reasons for his ordeal include South Korea's stringent national security law and the high state of alarm within the country's security apparatus about anyone suspected of sympathizing with the hostile North. For years, the South's obsession with preparedness in the event of an attack from the North has resembled the 1950s hunt in the United States for communist sympathizers, with little regard for the civil liberties of those accused.

"This law has many possibilities for interpretation," Mr. Lee said. "The prosecutor can interpret it at will."

In the 1980s, Kim Dae Jung — then an opposition leader and now the president-elect — and many legislators from his party were among those who were jailed under those laws, and many people hoped his election last week would mean a reform of the national security laws. But to win the presidency, Mr. Kim forged a political alliance with Kim Jong Pil, the founder of the Korean Central Intelligence Agency, and most analysts now predict that the strict legislation will remain unchanged.

That means people like Mr. Lee, the lawyer and writer, could continue to be subjected to harassment by South Korea's powerful security apparatus. A judge has twice ruled that there was no case against Mr. Lee, and he won a civil court case against the conservative publication for damages. Nevertheless, the government barred him from traveling outside South Korea between Nov. 28 and Feb. 28.

"They are worried now that the Cold War is over," Mr. Lee said of the security forces. "They worry about losing their positions and want to keep the old conflicts going. For this goal they need a scapegoat. I'm a scapegoat."

As he tells it, Mr. Lee's story began more than two years ago, when economic crises and a leadership vacuum in North Korea made many people in the South begin seriously to contemplate the reunification of the peninsula.

A publishing house asked Mr. Lee, a law professor at Hankuk University of Foreign Studies and president of the Asian Social Science Research Institute, to edit a three-part book that would include children's essays about unification, his responses to their questions and some factual reference materials about North Korea.

"The basic premise of the book was that unless children objectively and fairly understood about both South and North Korea, Korean unification would be impossible in the future," Mr. Lee said.

The children, ignorant of the do's and don'ts of political propriety, asked some basic and, in the minds of conservative critics of reunification, provocative questions. They wanted to know whether South Korea's national anthem, flag or capital would change. They wanted to know what would happen to Pyongyang, the North Korean capital, and whether there would still be two presidents.

"The young generation has no contact with North Korea," Mr. Lee said. "Young kids think that North Koreans are like monsters. I wanted to help them see North Koreans as humans."

U.S. Reporter Jailed in Seoul On Financial Slander Charge

By Kevin Sullivan
Washington Post Service

SEOUL — South Korean authorities are holding an American journalist in a Seoul jail after a leading newspaper filed criminal slander charges against him for reporting that the paper was on the verge of financial collapse.

The journalist, Richard Choi, 49, a popular news anchor and talk show host for Radio Korea in Los Angeles, has been jailed since Dec. 19, three days after he reported that the Hankook Ilbo newspaper was in deep trouble and might be taken over by the Hyundai conglomerate. The newspaper has denied the report.

Mr. Choi's arrest has sparked candlelight vigils in Los Angeles and outrage among human-rights groups angered over a case they say smacks of press suppression.

In Seoul, the U.S. ambassador, Stephen Bosworth, said in an interview that embassy officials were investigating the matter through South Korean government officials.

"We will look at this very hard over the next 24 to 48 hours and see what's happening," he said Tuesday. Mr. Bosworth, who praised South Korea's growing press freedoms in his Senate confirmation hearings last fall, said, "This, I would trust, is an anomaly."

The Choi case raises touchy issues at a time when South Korea is suffering devastating economic troubles that have bankrupted some of the country's biggest corporations and threaten many more. Mr. Choi traveled to Seoul to report on the economic troubles for his Korean-speaking listeners in Los Angeles.

A top official at the Hankook Ilbo said that a perception of impending collapse could crush a company at a time when all South Korean companies are hurting financially.

"We are in support of freedom of the press: we cannot live without it for a single day; we know that," said Lee Sang Seok, the foreign news editor of the newspaper. "But Mr. Choi's report comes as a severe threat to the survival or our company at a very dangerous time."

Mr. Lee said that Mr. Choi's report had been broadcast in Los Angeles and at affiliate stations in Washington, Atlanta, Houston, New York and Denver.

He said the Hankook Ilbo also circulated in those cities, and, "Our readers have been calling us by the thousands, and Koreans working for Korean corporations have been filing urgent messages to their headquarters that the Hankook Ilbo is about to go belly up."

Mr. Lee acknowledged that his company was having financial difficulties. But he said the report of impending bankruptcy or a buyout by Hyundai was "absolutely false." He said the report had caused "irreparable damage to the reputation of our company."

Pakistan Election Set Despite Court's Delay

The Associated Press

LAHORE, Pakistan — Pakistan's legislators prepared to elect a new president despite a Lahore High Court decision Tuesday to adjourn a critical hearing on whether the leading candidate would be eligible to hold office.

The court will resume hearings on Jan. 12 into whether Prime Minister Nawaz Sharif's presidential candidate, Rafiq Tarar, has publicly criticized the judiciary, considered a crime that would disqualify him from holding the office.

Elections will go ahead as scheduled on Wednesday, and Mr. Tarar has been allowed to run. Whether he would be able to take office as president, should he be elected, will depend on the final court decision next month.

If he is disqualified, a second presidential election would be held, government officials said.

Larry Clum/Reuters

Workers cleaning Hong Kong's Cheung Sha Wan fowl market Tuesday.

A Flu That Sends Shivers

Unpredictability of New Strains Worries Scientists

By Lawrence K. Altman
New York Times Service

NEW YORK — The "bird flu" strain of influenza virus has caused only 20 confirmed or suspected cases of human illness and has not jumped from birds to humans anywhere except Hong Kong. Yet health officials are so worried about the virus that on Monday they began slaughtering all 1.3 million chickens in the territory. And virologists around the world are studying the strain and trying to make a vaccine for it.

Why should so few cases cause such drastic measures locally and apprehension globally?

The main reason is the strain's novelty for humans. It has been seen only in poultry before, and it has killed thousands of chickens in Hong Kong.

The mass slaughter of chickens is a radical step. But public health officials ordered that similar numbers of birds be destroyed to cope with outbreaks of the same influenza virus in Pennsylvania in 1983 and Mexico in 1994 and 1995. No human cases were detected in those outbreaks.

Influenza viruses that cause illness in humans fall into two groups, A and B. The strain in Hong Kong is of the A type and is known as H5N1.

Scientists believe that the virus is transmitted when someone touches an infected person, not through the air — the usual way influenza spreads. But scientists are puzzled about exactly how the virus is transmitted.

Over the weekend, health officials reported the first evidence of the probable transmission of the strain from one person to another. A 3-year-old boy who died in May apparently transmitted the virus to his doctor, but the doctor did not develop symptoms and seems not to have spread the virus to others.

There is nothing like a new strain of influenza virus to make health officials shiver. They have long warned that a worldwide influenza epidemic like the one that killed 21 million people in 1918 and 1919 could strike again without warning.

Now "there is genuine concern about a pandemic arising for the first time" in more than 20 years, said Dr. Keiji Fukuda, an influenza expert from the Centers for Disease Control and Prevention in Atlanta. Dr. Fukuda went to Hong Kong with four other epidemiologists, part of the drill for dealing with a potential pandemic, which occurs when an infectious agent strikes large numbers of people in a number of countries in a short time.

The last such drill was in 1976, when a soldier at Fort Dix, New Jersey, died from the so-called swine flu strain. Twelve others developed symptoms from the strain, and 230 trainees were infected but did not develop symptoms.

Scientists have come to expect the influenza virus to do the unexpected. They know that the virus will mutate every few years, altering certain components on its surface. Some changes have minor effects, while others have catastrophic consequences.

Yet even minor changes can allow the virus to keep one step ahead of the fresh vaccines that are prepared each year. Such changes also allow influenza viruses to evade antibodies, proteins that the immune system, primed by earlier infections, produces to protect against repeat attacks.

Influenza's impact can be devastating. Sneezes and coughs can begin spreading the virus through the world with a potential to kill millions of people of all ages very quickly.

No one knows why influenza strains move as they do. Virologists have little knowledge of the early stages of influenza pandemics, which also occurred in 1957 and 1968. The latter two are thought to have arisen in birds in Asia.

New strains of influenza virus sometimes infect a small number of people, then die out. But a viral strain that hits an apparent dead end can revive to cause later outbreaks.

"One worry is that if the virus continues to persist in a human population, even at a low level of transmission, it could change" its makeup to make further transmission easier, Dr. Fukuda said by telephone from Hong Kong.

What this influenza strain is doing is unsettling to scientists.

"We are all highly aware that the epidemiology of this virus could be changing," Dr. Fukuda said. Scientists became aware of that when they first detected the H5N1 avian strain in the 3-year-old boy who died in May.

"The thinking at the time was that this was an isolated odd phenomenon in nature where a boy gets infected by a virus that should not normally be infecting humans," Dr. Fukuda said. "Something like that probably happens every once in a while."

The WHO alerted countries to increase surveillance for the strain. Skeptical scientists changed their attitude with the detection of additional cases in November and December.

Scientists have partly determined the genetic blueprint of viruses isolated from seven cases in Hong Kong. So far the indication is that all the viral genes are of avian origin. None shows signs of mixing with genes from other human influenza viruses, which is one way new strains are thought to arise.

One important objective for the many virologists who have converged to work on the strain is to develop a vaccine in time to battle an influenza pandemic, should the need arise.

But the effort is off to a bad start because influenza vaccines are made by growing the virus in chicken eggs, and the H5N1 strain kills chicken eggs. Scientists are seeking other solutions. Even if a pilot vaccine is developed, it would still take months to produce a commercial one in sufficient amounts to provide widespread protection.

But in Hong Kong, worrisome signs have emerged from blood tests among people who had contact with the 3-year-old boy and others who did not. The tests showed that people at the highest risk for infection from the bird flu strain were those with intense exposure to poultry and those working directly with the virus.

The tests also showed that some people became infected with the H5N1 strain but fought it off without becoming ill. That is not overly surprising, because the microbes responsible for other infectious diseases often invade without causing illness.

FLU: *Shortage of Equipment Delays Hong Kong Poultry Slaughter*

Continued from Page 1

government on Sunday ordered the slaughter of every chicken in the territory, as well as geese, ducks, pigeons and other poultry that may have been housed near chickens.

Influenza viruses that cause illness in humans fall into two groups, A and B. The strain in Hong Kong is of the A type.

Hong Kong gets about 80 percent of its live chickens from mainland China, with the rest from local farms. Until Tuesday, officials have been reluctant to openly pinpoint China as the most likely source of the contagion, partly out of concern for offending the new sovereign power and not wanting to contradict China's repeated assurances that all its chickens are healthy.

Beijing officials repeated those assurances Tuesday. Tang Guoqiang, a Foreign Ministry spokesman, said in Beijing that its investigators dispatched to Guangdong province, bordering Hong Kong, had not turned up a single case of the "bird flu" virus. A team of flu experts from the World Health Organization is scheduled to go to Guangdong in January to begin its own surveillance for the virus.

The new import controls on chicken will include registration of farms in South China that are licensed to sell birds here; Hong Kong health officials on the ground in China to help inspect the chickens and insure their health; a five-day quarantine for chickens destined here, and a separate check of samples at the only allowed border checkpoint to make sure the chickens are safe and have their registration certificates.

Officials here said the mainland Chinese authorities were cooperating in their efforts. But they also said the new controls might take another month to set up, meaning that Hong Kongers were now approaching the all-important Lunar New Year holiday at the end of January with little likelihood of having any fresh chicken.

The mass execution of fowl, involving more than a thousand government workers, was supposed to be completed in a day, but officials said Tuesday that the scale of the operation and some unexpected glitches slowed down their progress.

Agriculture Department workers initially intended to use lethal carbon dioxide to gas all the chickens on 160 remote farms.

But they discovered they had only 400 cylinders to hold the gas — 600 fewer than needed for the operation. Workers lost time by taking used cylinders and refilling them, but they hope to solve the shortage when 200 additional cylinders arrive here from the mainland.

Another problem, said Mrs. Wei, was making sure the staffers involved in the mass culling had adequate supplies of gloves and other protective clothing, garbage bags for the carcasses, and lime for disinfecting the dead birds.

But the biggest problem, Mrs. Wei said, was that the massive number of workers deployed for the operation — 1,200 from the Agriculture Department, or more than half her total staff, had no experience in handling, let alone killing, chickens. They are largely desk-bound bureaucrats, working in unglamorous jobs like licensing and transportation. In a matter of hours, they have been equipped with lethal gas and transformed into an army of executioners.

BRIEFLY

Bomb on Delhi Bus Kills 2

NEW DELHI — At least two people were killed and 20 wounded when a bomb exploded Tuesday on a bus in India's capital, the police said.

A police spokesman said a bomb had been planted under a seat near the back of the bus, which was packed with passengers during rush hour in the Rampura district of New Delhi.

No one immediately claimed responsibility for the attack. There have been several bomb explosions in the capital in recent months. On Nov. 30, two people were killed and 58 wounded when two bombs exploded within minutes of each other.

The Shahid Khalsa force of Sikh separatists in the northwestern state of Punjab claimed responsibility for two attacks in October. The force began a violent campaign in the 1980s to back its demand for a separate Sikh state. *(Reuters)*

Singapore Mourns Crash Victims

SINGAPORE — More than 8,000 people took part in a memorial service led by Singapore's prime minister, Goh Chok Tong, for the 104 people who perished in the Dec. 19 crash of a SilkAir Boeing 737-300 in Indonesia.

"Singapore is a small place and a close-knit community. When a tragedy happens with a loss of lives, it saddens the whole nation," Mr. Goh said in an emotional speech at an indoor stadium here.

The SilkAir Boeing 737-300 crashed into the Musi River in Indonesia's South Sumatra Province, killing all 97 passengers and seven crew members on board. *(AFP)*

Timor Laureate Calls for Peace

SYDNEY — The Nobel peace laureate Jose Ramos-Horta called Tuesday for a cease-fire between East Timorese fighters and Indonesian troops.

Mr. Ramos-Horta, an exile from East Timor who is based in Sydney, issued a New Year's message urging Indonesia to release all political prisoners in East Timor, stop human rights violations and reduce troop numbers in the region.

East Timor is a former Portuguese colony that was invaded and annexed by Indonesia after Portugal gave it up in 1975.

"There must also be a cessation of all armed activity in East Timor," Mr. Ramos-Horta said in the statement distributed to news organizations.

"The resistance, if it is to serve its own cause and purpose, must observe a complete cessation of all armed activity that can give rise to Indonesia's use of force," said Mr. Ramos-Horta, who was awarded the Nobel Peace Prize in 1996 along with another East Timor independence activist, Bishop Carlos Belo. *(Reuters)*

Catholics Open Hanoi Congress

HANOI — A congress of Vietnamese Catholics and officials of the Communist Party opened Tuesday in Hanoi, the Vietnam Catholic Solidarity Committee said.

About 350 delegates, including 140 priests, gathered for the two-day conference, which is held every five years, along with officials of the Fatherland Front, an umbrella group of the Communist Party of Vietnam that controls all social and religious organizations. *(AFP)*

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INTERNATIONAL

Israeli Guilty in 'Pig' Poster Trial

By Joel Greenberg
New York Times Service

JERUSALEM — A Jewish militant who provoked rioting in Hebron and outrage in the Muslim world when she put up posters depicting the prophet Mohammed as a pig was convicted here Tuesday of committing an act of racism and trying to offend religious feelings.

Standing in a white T-shirt as the verdict was pronounced at the Jerusalem District Court, Tatyana Suskin, 26, wept as Judge Zvi Segal read for more than an hour from his 63-page decision.

A follower of the outlawed anti-Arab Kach Party and an immigrant from the former Soviet Union, Miss Suskin was also found guilty of supporting a terrorist group and endangering life by stoning an Arab car. She faces a maximum of 26 years in prison.

Miss Suskin was arrested last June after she plastered posters on storefronts in the Palestinian-ruled part of Hebron that depicted the prophet Mohammed as a pig stamping on a Koran. Pigs are considered unclean by Islam, and the eating of pork is forbidden under Muslim religious law.

The incident set off days of street clashes in Hebron between Palestinian protestors and Israeli soldiers, and enraged Muslims abroad. A man charged with killing nine German tourists in Egypt last September said he had been spurred to action by the posters.

Last week, two other Jewish militants of Russian origin were arrested on suspicion of planning to hurl a pig's head into the area of Islam's third holiest shrine, the Al Aqsa mosque in Jerusalem's Old City, during the Muslim holy month of Ramadan, which began Monday evening.

In his verdict, Judge Segal rejected defense arguments that she was emotionally disturbed, ruling that she was fully aware of the consequences of her acts. "The harm caused in this case is wide and offends all members of the Islamic faith," the judge said.

Miss Suskin acted out of a "patently racist motive" and with "clear intent" to provoke hatred and violence, the judge asserted, adding that freedom of expression did not give her the right to put up the posters where she did.

Miss Suskin, said she was not sorry. "I don't agree with this conviction," she told reporters. "I have nothing to regret."

The lawyer for Miss Suskin, Shmuel Casper, argued that his client's right to freedom of expression had been infringed.

"It's time this country drew up a bill of rights so people will know whether a picture they draw or a postcard they send is a racist act," he said. "She didn't go there to incite World War III."

A day after Miss Suskin put up the posters while wearing a T-shirt with the clenched-fist symbol of Kach, she hurled a stone at a car driven by a Palestinian motorist, breaking its window, according to her indictment. She was convicted today of endangering human life on the road.

Kach, which is banned in Israel, was founded by Meir Kahane, a radical anti-Arab rabbi who was assassinated in New York in 1990.

Elton John Is Knighted On Blair's List

Reuters

LONDON — Elton John is to be named Sir Elton on Wednesday in Prime Minister Tony Blair's New Year's honors list, which also rewarded some of those who helped organize the funeral of Diana, Princess of Wales.

The 50-year-old singer, born Reginald Dwight, was listed under his full name, Elton Hercules John, for services to music and to charities.

The performer sang a new version of his song "Candle in the Wind" at the funeral of Diana, who died in a car crash in Paris on Aug. 31. Its worldwide sales of 33 million copies have made it the world's top-selling single and raised £20 million ($33.4 million) for the charity memorial fund named after the princess.

The singer was among 25 knights and four life peers named by Mr. Blair in his first honors list since taking office in May. Formally, the honors are awarded by Queen Elizabeth II.

The honors list of nearly a thousand names was headed by new life peerages awarded to David Sheppard, a former England cricketer who recently retired as the Anglican bishop of Liverpool, and to the publisher and philanthropist Paul Hamlyn.

The other new peers are Sir Robin Butler, outgoing secretary to the cabinet and head of the Home Civil Service, and a former top civil servant, Sir Ron Dearing.

The last governor of Hong Kong, Chris Patten, and the historian Eric Hobsbawm were named Companions of Honor.

Among the new knights were the composer Richard Rodney Bennett, the science fiction writer Arthur C. Clarke, the actor Michael Gambon, the painter Terry Frost and the architect Sandy Wilson, designer of the much-maligned new British Library.

The only sporting knight was Tom Finney, who played soccer for England in the 1950s.

Mr. Blair's spokesman said that the prime minister wanted to modernize the honors system to recognize more ordinary people nominated by members of the public.

One serving ambassador was knighted.—Christopher Meyer, envoy to Washington and a former spokesman for John Major, the former Conservative prime minister.

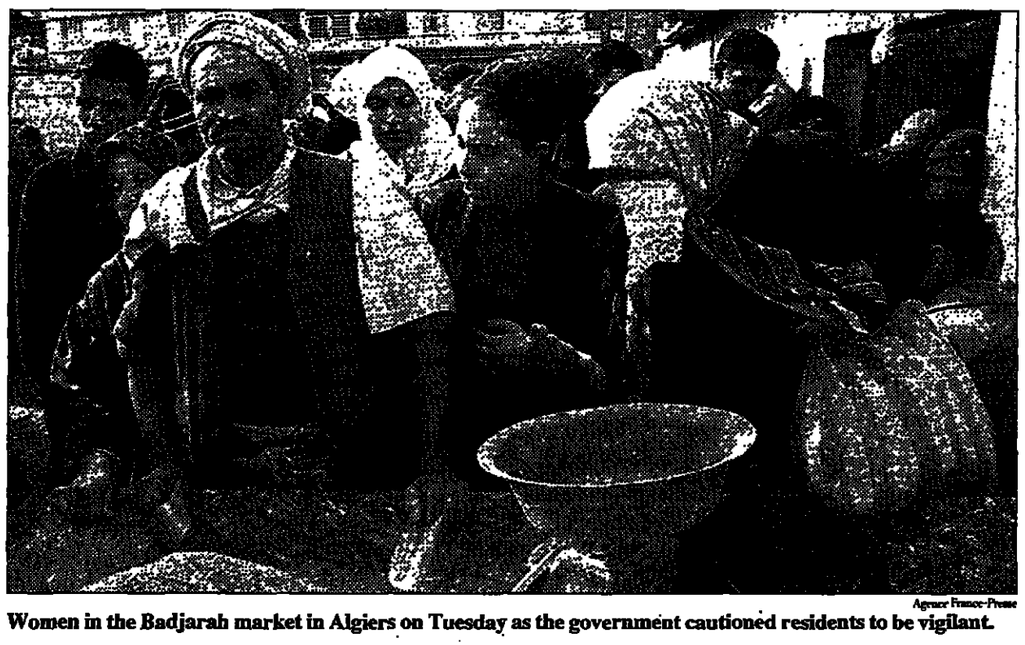
Other prominent overseas names honored included the British-born film star Deborah Kerr, named a Commander of the Order of the British Empire for services to theater and cinema.

The same honor went to the novelist and screenwriter Ruth Prawer Jhabvala, the singer Petula Clark and the novelist David Lodge.

The list of awards for sports stars included the Officer of the Order of the British Empire for Martin Johnson, who captained the victorious British Lions rugby team in South Africa.

Kevin Lamarque/Reuters

Elton John becomes Sir Elton on Tony Blair's New Year's honors list.



Agence France-Presse

Women in the Badjarah market in Algiers on Tuesday as the government cautioned residents to be vigilant.

Algeria Fearful as Ramadan Begins

Agence France-Presse

ALGIERS — News of fresh massacres has confirmed fears that violence in Algeria is escalating as Muslims began the holy month of Ramadan.

According to press reports, 88 people, including women and children, have been murdered in attacks since Saturday. Most were stopped and killed at fake roadblocks.

Fourteen of the victims were killed Monday at a roadblock near the western town of Sidi Bel Abbes, newspapers reported Tuesday. Some victims' throats were slit; other people were shot.

La Tribune, an Algerian daily, reported that 20 villagers had been massacred Monday near Medea, 80 kilometers (50 miles) south of the capital, Algiers.

An additional 20 travelers were killed two days earlier in the Lakhdaria Valley, in the southeast, while in the Djelfa region, about 200 kilometers south of Algiers, a father and two young children died after their throats were slit.

The latest killings bring to at least 332 the number of civilians slaughtered in a 10-day period, confirming fears of further bloodshed during Ramadan, which began Monday evening.

Last year during Ramadan, which began on Jan. 10, more than 400 people were killed and 700 were wounded in a wave of massacres and car bombings, for which Muslim fundamentalist guerrillas were blamed.

Linked to the start of the moon's cycle, the beginning of Ramadan changes each year and can be different for the various Muslim countries.

Algeria's Ministry for Religious Affairs announced that the cycle began Monday night, meaning that Tuesday officially became the first day of a month of daytime fasting and abstinence for the majority of Algeria's 28 million people.

Traditionally, the holy month of Ramadan is considered by extremist Islamic groups as an auspicious time for terrorism.

State-run and independent media in Algiers have kept up a barrage of government-issued warnings to the population to be vigilant against terrorism.

In particular, the city's 3 million people have been warned to steer clear of trash cans and abandoned cars that might contain bombs.

But no increase in security has been noticeable in Algiers. The recent attacks have mostly targeted remote villages and outlying areas of the city.

Another newspaper, El Watan, said Tuesday that for inhabitants of the forest and mountain regions in western Algeria to remain there made them easy targets for massacres or gave the idea that they were collaborating with the extremists.

"The state can't put a soldier in front of every house," the military head of the region around the port of Oran, General Kamel Abderrahmane, said last week.

Various military officials in the last few weeks have urged outlying towns to arm themselves against the marauders.

The human-rights group Amnesty International estimates that nearly 80,000 people have been killed since the Islamic insurgency began in 1992, after the army canceled elections that the now-banned Islamic Salvation Front was set to win.

KOREA: *European Banks Agree to Roll Over Short-Term Debt*

Continued from Page 1

record last month as a credit crunch drove almost 50 companies a day into insolvency, the central Bank of Korea reported Tuesday.

Underlining the crisis, the Bank of Korea has urged banks to lend money to firms that are trying to make bond payments. Those calls may fall on deaf ears as banks scramble to call in loans to shore up their own balance sheets. They are trying to meet standards imposed as part of a $60 billion bailout package sponsored by the International Monetary Fund.

The agreement Monday, which essentially bent the rules for large borrowers near default, was the banks' only realistic alternative. They would have faced the prospect of losing much more and perhaps causing a far greater crisis had they demanded repayment.

Their decision followed moves by the IMF and other lending institutions last week to provide $10 billion in accelerated aid to Seoul.

Although South Korea is the 11th-largest economy in the world and is considered a bulwark against security threats posed by North Korea, more than the fate of that one country is at stake. The Japanese economy is ailing and all lenders, particularly the Japanese, are looking past South Korea and assessing the impact corporate defaults there eventually might have on Japan — South Korea's single largest creditor and the world's second-largest economy.

In Seoul on Tuesday, the won tumbled about 12 percent against the dollar, reversing three days of gains, as South Korean companies sought dollars to pay off debt denominated in foreign currency. The stock market was closed for year-end holidays.

Separately, the government reported that South Korea had a record capital deficit in November, as foreign investors fled the country, but also recorded its first current-account surplus in four years because the weaker won bolstered exports and reduced imports.

Meanwhile, Seoul balked at assuming billions of dollars of debt owed by its commercial banks, a condition sought by foreign creditors in return for new loans. The world's biggest banks are seeking some form of government guarantee before they lend money for a year or longer. South Korea needs such loans to help overcome its short-term debt crisis.

"The government has never and will never transfer private debt to public debt," said Chung Duk Koo, an assistant minister at the Ministry of Finance and Economy. "We will stand by our banks, but not that way."

His comments underscored South Korea's unwillingness to let foreign creditors completely off the hook as it seeks a way out of its financial crisis. That view is shared by the IMF and industrialized countries that contributed to the nation's record $60 billion bailout.

The IMF partners do not want to be seen using tax dollars to bail out private lenders. They also want to avoid a loss of confidence in South Korea among foreign investors that could turn off the flow of money into the country.

About $15 billion of Korea's $100 billion in short-term debt is due by year-end, with an additional $15 billion maturing next month.

But analysts said that the rollover deal was only a stopgap measure and that the liquidity problem would reappear again in a month if urgent action was not taken.

"From what we understand, this process is proceeding in a constructive way," said Lawrence Summers, deputy U.S. Treasury secretary. "It reflects the general awareness in the financial community of the importance of financial institutions' taking responsibility with respect to Korea's financial problems. Going forward, there will be a great deal of work to do."

But talks on the repackaging of the loans are unwieldy because lenders have different needs and are owed debt with varying due dates. Bankers said South Korea has about $40 billion in short-term debt maturing by March 31.

The extended due dates on the loans buy South Korea and its lenders time, but do not guarantee that the economic crisis has been contained. Ideally, the relief will enable South Korean businesses to revive and begin repaying loans while regulatory and lending practices in the country are overhauled.

But South Korea's economy could continue to stall, and it may not rebound quickly enough to prevent defaults.

"The only reason the banks are rolling over the short-term debt is because they know if they call it, the loans will default," said David Durrant, an analyst with I.D.E.A., a financial advisory firm in New York. "The banks can generate great headlines about their grand gesture, but they're bailing themselves out first because they have nowhere to go. The economic scenario in South Korea is not going to change for six to nine months."

(Reuters, NYT, AP, Bloomberg)

RWANDA: *U.S. Judge Frees Hutu Pastor Accused of Genocide*

Continued from Page 1

to the international tribunal."]

Mr. Ntakirutimana, 73, was represented at the Laredo hearing by Ramsey Clark, the former U.S. attorney general, who further questioned the legality of the international tribunals, which had won strong support from Secretary of State Madeleine Albright when she was U.S. representative at the UN.

"This is the first time in our history that we've been asked to surrender a person to a tribunal and one of doubtful legality," Mr. Clark told The Houston Chronicle last summer. "There is nothing in the UN Charter that allows for a criminal tribunal."

Defenders of Mr. Ntakirutimana say that the charges against him are not true and that as a prominent member of Rwanda's Hutu majority — he was president of the Seventh-day Adventists in the Kibuye region of western Rwanda — he is an innocent target of revenge by the minority Tutsi, who were the victims of most of the genocide.

Mr. Ntakirutimana's family and local Seventh-day Adventist churches mounted a strong campaign in Texas to portray him as an innocent victim of a vendetta by the Tutsi-led government that took power in Rwanda in the summer of 1994.

At the tribunal headquarters in Tanzania on Monday, Kingsley Moghalu, a lawyer in the court registrar's office, said that officials were waiting to hear what the United States would do.

"We leave it to the U.S. government to take whatever step they deem appropriate," he said. "The statute of the tribunal requires that states cooperate." The United States had complied in arresting Mr. Ntakirutimana as requested.

At the State Department, James Foley, a spokesman, said the Clinton administration still believed that Mr. Ntakirutimana should be extradited, but was now in the process of consulting tribunal officials about how to proceed.

"We believe that there is a proper legal and factual basis for surrender to the tribunal, and are disappointed by the magistrate's decision," Mr. Foley said in a statement Monday. "We are considering our options and cannot speculate further regarding this law enforcement matter."

Judge Notzon, who threw out the case against Mr. Ntakirutimana, challenged the case against the pastor. He criticized the manner in which a Belgian police officer, Arjen Mostert, conducted the investigation in Rwanda. He also questioned the reliability of the witnesses.

One of Mr. Ntakirutimana's sons, Gerard, 40, an American-educated physician, has been charged with the same crimes as his father. The younger Ntakirutimana is in the custody of the Arusha tribunal.

ECONOMY: *Consumer Confidence Soars*

Continued from Page 1

pared with a month ago. More consumers also said that business conditions would get better in the future.

"This is the first time in a long time that jobs are plentiful and consumers really feel good about that," said Gary Thayer, a senior economist at A.G. Edwards & Sons Inc. in St. Louis. "It would take some signs of real weakness in the economy for the jobs situation to worsen."

Fewer consumers, however, expected their incomes to rise in the future.

More consumers said they planned to take a vacation in the next six months, but fewer said they planned to buy a major appliance or a car.

Consumers were most confident in the northern Midwest, while the mid-Atlantic states lagged well behind the rest of the country.

Although the economic outlook is muddied by the financial crisis in Asia, "the fundamentals still look good" for the United States, with businesses scrambling to hire workers, according to a forecast by two economists, Joel Naroff and Veronika White, at First Union Bank in Philadelphia. "Employment and income growth are robust and confidence is high," they said.

There are ample signs that consumers remain cautious in their spending, even though the U.S. economy has grown at about a 3.5 percent pace this year. For example, the Big Three automakers — Ford Motor Co., General Motors Corp. and Chrysler Corp. — have spent heavily on rebates and other incentives to entice buyers, even though the final months of the year were marked by low unemployment and inflation and buoyant consumer sentiment. Holiday sales at the nation's retailers, meantime, probably rose at half of last year's pace, analysts said. *(AP, Bloomberg, Reuters)*

KENYA: *Credibility Crisis Hits Election as Confusion Mounts*

Continued from Page 1

lomat said, adding that the commission had "screwed up big-time."

"Regardless of whether what happened was just poor logistics or malevolent intent, the fact is that the elections will suffer in terms of credibility," the diplomat said.

The diplomat said that the credibility of the elections might be salvaged if the results required a second round of voting. In Kenya, a presidential candidate must win the most votes nationwide as well as 25 percent of the total in five of the country's eight provinces.

"If Moi is elected, there's going to be a challenge" from opposition candidates, the diplomat said. He added that a runoff would be better than a "festering sore."

Grace Githu, a political analyst, said that even if the government scrapped the election — as some opposition candidates are demanding — the process had already jaded many voters. "What if someone says, let's have a repeat," she said. "No one will come out."

Electoral commission officials, however, played down the problems. Gabriel Mukele, deputy chairman of the commission, estimated that irregularities had affected only 5 percent of the constituencies. He also said that many of the problems Monday stemmed from serious flooding in the northeast and along the coast that had "made it very difficult to get officials and the materials to the stations."

Mr. Mukele blamed problems with ballot boxes — some of which went to constituencies hundreds of kilometers from where they should have gone — on the printer that the commission hired.

Christopher Smith, managing director of Smith & Ouzman Ltd. of England, declined to comment on the criticism, saying only that what his company had done "was correct" and adding that ballot boxes and papers had been "dispatched how they should have been."

■ Opposition MP Is Re-elected

The electoral commission released the first parliamentary result: that an opposition member of Parliament, John Michuki, was re-elected by a comfortable majority, Reuters reported.

State radio said the FORD-People candidate won his Kangema constituency in Central Province with 17,701 votes, while 4,308 were cast for Naftali Ngeru of KANU. It said there had been a 77 percent turnout in the constituency, which has a registered electorate of 29,189.

ALOFT: *Keep Seat Belt On*

Continued from Page 1

average of 58 reports of turbulence-related passenger injuries a year from the airlines, which are not required to report such incidents. From 1981 to November 1996, there were 252 reported incidents of turbulence, which killed two passengers, seriously injured 63 and delivered less serious injuries to 863 others. Both the fatalities and 61 of the 63 serious injuries involved unbuckled passengers.

Because there is no reporting requirement, however, those numbers may sharply underestimate the seriousness of the problem.

And most injuries are not to passengers but to flight attendants, who often must stand when the seat-belt light is on. United alone reported that in 1996 there were 251 turbulence-related injuries that caused flight attendants to lose time from work, and that 129 more suffered minor injuries.

"People are so comfortable with air travel that they don't think this is a hostile environment," said Patricia Friend, president of the Association of Flight Attendants. She said flight attendants are often caught in a bind when people refuse to sit down, saying things like "Yeah, but I've got to go to the bathroom." Flight attendants "can't physically restrain people," she said.

Unlike crashes, with random patterns of fatalities and injuries, turbulence injuries are concentrated in the rear of the aircraft, which cracks almost like a whip in severe turbulence.

BRIEFLY

Funds for West Bank Settlers

JERUSALEM — Prime Minister Benjamin Netanyahu moved closer to gaining parliamentary approval for his 1998 budget Tuesday with a flurry of spending promises that will benefit Jewish settlers in the Palestinian territories.

Striving to get his budget adopted before a deadline of Wednesday midnight, Mr. Netanyahu conceded millions of dollars to meet demands by groups in his fractious eight-party coalition. *(AFP)*

Nyerere Visits Kaunda in Jail

LUSAKA, Zambia — Julius Nyerere, the former president of Tanzania, visited Kenneth Kaunda in jail Tuesday as international pressure mounted for the former Zambian president to be released or put on trial for involvement in the October coup attempt.

In Washington, the State Department condemned the detention and urged Mr. Kaunda's immediate release.

Mr. Nyerere met Mr. Kaunda in Kabwe and refused to confirm reports he was sent to negotiate for his release by President Nelson Mandela of South Africa. *(AP)*

Ruling That Freed Woman Is Rejected

New York Times Service

NEW YORK — A U.S. judge's decision freeing a Pennsylvania woman convicted of murder because he found her innocent has been overturned by a federal appeals court.

The three-judge panel of the 3rd U.S. Circuit Court of Appeals concluded that the case had been brought to a federal court prematurely, ruling that the woman had not exhausted her opportunities in the state courts.

Although Lisa Michelle Lambert, 25, who had been released from a life sentence, does not have to return to prison immediately, the decision Monday wiped out Judge Stewart Dalzell's ruling that Ms. Lambert had been railroaded in 1992 by Lancaster County police and prosecutors.

هكذا من الأهل

EUROPE

2 More Victims of Ulster's Troubles Are Buried

Agence France-Presse

BELFAST — Frightened shopkeepers in Portadown, County Armagh, pulled down shutters Tuesday as mourners marched through the town with the body of Billy Wright, a Protestant loyalist leader in Northern Ireland who was shot and killed in jail.

About 30 kilometers (20 miles) away, the funeral of a former Irish Republican Army militant who was killed in reprisal was taking place.

Virtually every business in Portadown's center was closed, as merchants feared attacks by associates of Mr. Wright. The Loyalist Volunteer Force leader was killed Saturday at the Maze prison by a Catholic splinter group, the Irish National Liberation Army.

All bus services were suspended and extra policemen were drafted into the town because of the heightened tension.

Leaflets circulated in Portadown had called on shops to close.

The Ulster Unionist mayor of nearby Craigavon, Ken Twyble, said: "The leaflets were innocuous enough but there was an implied threat and people felt intimidated. There is a great sense of foreboding."

Hundreds of mourners gathered outside Mr. Wright's home at Rectory Park in the Brownstown housing development about a kilometer from the deserted town center.

Pastor Kenny McKlintock, a close friend, gave Mr. Wright's funeral oration, describing him as a "a man of high integrity in his own way and very much a product of problems of the troubled times which we have come through."

"He has suffered greatly and caused suffering as a result," the minister said.

Mr. Wright's family called for a judicial inquiry into his death.

In Coalisland, County Tyrone, the Catholic who was shot and killed in retaliation for Mr. Wright's murder, was also buried Tuesday.

Seamus Dillon, a former IRA member who served a sentence for murder, was gunned down outside a discotheque at a hotel near Dungannon.

His family pleaded for an end to the violence.

The Reverend Seamus Rice, speaking before his funeral, said: "The way forward is not through revenge. The way ahead is through prayer and dialogue."

Hundreds of mourners, including Martin McGuinness, chief negotiator for the IRA's political wing, Sinn Fein, were at the funeral.

John Gillen/The Associated Press

Seamus Dillon's casket being carried through the town of Coalisland as hundreds of mourners followed Tuesday.

Even After Death, Loyalist Stirs Fear

Wright, Hard-Line Leader Killed in Prison, Made Enemies on All Sides

By John Burgess
Washington Post Service

PORTADOWN, Northern Ireland — Billy Wright is dead now, executed with smuggled handguns by fellow inmates in a high-security prison. But the fear and respect he commanded on the streets of this town during his years as the head of an outlawed Protestant militia continue.

"He got what was coming to him," said a man outside a store, before thinking better of talking and walking on.

Another man described Mr. Wright in these terms: "He was trying to help. He was actually fighting back for the Protestants."

Of close to a dozen people interviewed in this town about 40 kilometers (25 miles) southwest of Belfast, none wanted their names used.

Mr. Wright, 37, was a powerfully built man with tattooed arms, goatee and a piercing stare. Possessing a quick mind, boundless self-confidence and an ability to quote Bible verses, he led the hard-line Loyalist Volunteer Force, one of many armed bands that have sprung up among Protestants.

For years, he lived on the run, moving from house to house to avoid arrest or assassination.

"I have become immune to fear, having lived my life in a war," he told the Philadelphia Inquirer last year.

He managed to make enemies on all sides, most of whom eventually scored against him. The British jailed him. Rival Protestant paramilitary groups forced him underground with a threat of death, delivered by a masked man on the television news.

It was apparently members of an armed Roman Catholic group, the Irish National Liberation Army, who killed him. The group broke away from the Irish Republican Army and has rejected that group's cease-fire.

The police are questioning three members of the Irish National Liberation Army who were serving time elsewhere in the Maze prison near Belfast at the time of the shooting, around 10 A.M. Saturday.

In previous years, Mr. Wright's death might have passed almost unnoticed outside Northern Ireland. But today, with violence down dramatically as all-party peace talks are held, the killing has become a psychological test of how seriously the parties at the table really want peace.

Accounts of Mr. Wright's early life say that he often played with Catholic children. But he became politicized at the age of 15, he has said, after the IRA forced 10 Protestant workers off a bus near his home in South Armagh in 1976 and shot them. Mr. Wright is also said to have lost an uncle, father-in-law, brother-in-law and cousin to IRA violence.

He joined the Ulster Volunteer Force, a Protestant militia, and quickly began a climb up the ranks. Along the way, he served time in jail, gaining the nickname of "King Rat," after a World War II prison camp manipulator in the James Clavell novel of the same name.

Many people believe that while he was an Ulster Volunteer Force senior commander, he ordered the abduction and murder of a Catholic taxi driver in 1995, in violation of a general Protestant cease-fire. He was also reported to be involved in the drug trade, supplying among other things the drug known as ecstasy, as a means of financing his armed bands.

Whether his expulsion from the Ulster Volunteer Force was due to jealousy of his power or abhorrence of his tactics is unknown. But in any case he landed on his feet, reportedly creating the Loyalist Volunteer Force, which became known for drive-by shootings. The group opposes the October 1994 cease-fire by Northern Ireland's two main pro-British paramilitary groups.

"If Catholics are afraid of me, then I understand their feelings," he told Britain's Press Association last year, saying that Protestants are equally afraid of the Irish Republican Army. "I am a defiant person. The IRA does not have the will to impose their will on me."

Mr. Wright found his strongest following in this town's public housing developments, where people often proudly paint their curbs in the red, white and blue of the British flag and decorate walls with slogans.

Before his arrest, Mr. Wright was often seen here in Portadown. "People would go down on their knees to him," both out of fear and to seek favors from him, said one man.

British authorities were never able to pin big charges on him. But this summer, a court convicted him of threatening to shoot a Protestant woman who was prepared to testify against him. He received an eight-year prison sentence. Even in prison, he maintained much of his influence, using a cellular phone to keep in touch with the outside world.

German Elite Foresee Another Kohl Victory

Reuters

BONN — Germany's political, business and media elite expect Chancellor Helmut Kohl's center-right coalition to survive next year's general election and govern for a record fifth term, a Reuters poll showed Tuesday.

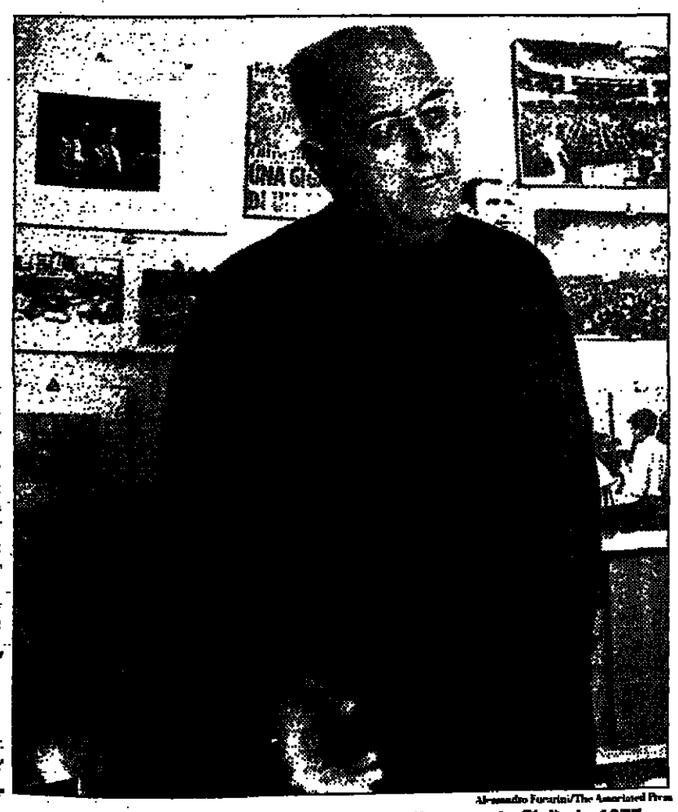
The November survey of 243 public figures found that 41 percent expected Mr. Kohl's alliance of Christian Democrats and Free Democrats to triumph, up from 32 percent in the previous survey in September.

Prospects for a coalition between the opposition Social Democrats and Greens fell, with just 30 percent expecting them to team up in government compared to 39 percent previously.

The chances of a "grand coalition," the Christian Democrats and the allied Christian Social Union with the Social Democrats, jumped, however, with 22 percent predicting they would form an alliance, compared with just 8 percent in September. The general election is scheduled for next September.

Respondents ranked reform of the tax system as the most pressing task, followed by cutting taxes on companies and reforming the welfare state.

Danilo Dolci, Italian Sociologist, Dies



Alessandro Fucarini/The Associated Press

Danilo Dolci at his social studies center near Palermo in Sicily in 1977.

Reuters

PALERMO, Sicily — Danilo Dolci, an Italian sociologist who campaigned against the Mafia and whose research on Sicilian farmers became a model for development studies abroad, died Tuesday near Palermo. He was 73 years old.

He died of heart failure, hospital officials said.

Mr. Dolci was born in the northern city of Trieste, but focused his research on Italy's impoverished deep south. In the late 1950s, he founded a center near Palermo for a study of the causes of the meager living standards of farmers. Thousands of sociology students from northern Europe, in particular Scandinavian countries, flocked to the center, where Mr. Dolci also spoke out against the Mafia's covert control of agriculture in Sicily.

Mr. Dolci, who wrote about 20 books and collections of poems, was awarded several international prizes for literature and was nominated for the Nobel Peace Prize in 1982.

Simone Duvalier, 83, Wife Of Former Haitian Dictator

SAINT-CLOUD, France (AFP) — Simone Duvalier, 83, the wife of the former Haitian dictator Francois Duvalier, known as "Papa Doc," died Friday in a clinic in Saint-Cloud, near Paris, sources here said Tuesday.

Mrs. Duvalier, dubbed "Mama Doc," had lived in France since 1986, when her son Jean-Claude was ousted from power in a coup after 15 years of rule.

Francois Duvalier became president of Haiti in 1956 and ruled until 1971, when he named Jean-Claude as his successor months before he died.

Tosovsky Nominates New Czech Cabinet

The Associated Press

PRAGUE — Prime Minister Josef Tosovsky nominated his government Tuesday, trying to defuse the country's monthlong crisis.

The cabinet, a combination of holdover coalition ministers and independent experts, is expected to function as a caretaker government, leading the country to early elections in 1998.

"I have asked the president to return to Prague as soon as possible and appoint the new government officially," Mr. Tosovsky said.

President Vaclav Havel is recovering from pneumonia at Lanzarote, Spain, and according to Czech television was expected to fly home Thursday. A presidential spokesman said Mr. Havel would appoint the new government Friday, the CTK press agency reported.

Jaroslav Sedivy, a holdover from the previous government of Prime Minister Vaclav Klaus, remains foreign minister; Ivan Pilip remains finance minister, and the defense portfolio goes to a former diplomat, Michal Lobkowicz.

Josef Lux, chairman of the Christian Democrats, keeps the agriculture portfolio, and Jiri Skalicky, head of the Civic Democratic Alliance, remains in charge of the Environment Ministry.

Mr. Klaus is the only head of a former coalition party who is not a member of the new 17-member cabinet, which also includes six nonpartisan experts.

Two weeks of talks Mr. Tosovsky held with political leaders were hampered by a rift in Mr. Klaus's Civic Democratic Party, which dominated the previous government. Despite his ouster as prime minister, Mr. Klaus held on to power as party chairman in mid-December, but some 40 of 69 deputies for his party in Parliament turned against him.

Defying Mr. Klaus as party chairman, Mr. Tosovsky opted to choose his opponents in Parliament as candidates for the new cabinet.

The appointments of Mr. Pilip and Mr. Lobkowicz were considered most controversial since both opposed had Mr. Klaus publicly and inspired the party rebellion against him.

BRIEFLY

Wage Arrears Paid, Moscow Announces

MOSCOW — Prime Minister Viktor Chernomyrdin said Tuesday that all wage arrears to workers in the Russian public sector had been paid before a Jan. 1 deadline set by President Boris Yeltsin.

"The most important result of 1997, concerning all Russians, is that we are finishing the year without any wage arrears," Interfax news agency quoted Mr. Chernomyrdin as saying.

The prime minister said on ORT television that the government had transferred a total of 14.5 trillion rubles ($2.4 billion), including 3.2 trillion in financial aid to regional authorities, which had responsibility for paying about half of the arrears.

Officials said last week that the federal government had paid its debts but that some regions had still to pay their share. *(Reuters)*

Belgian Probe Leads To Church Buildings

GHENT, Belgium — Police investigating a 52-year-old church sexton and teacher who is accused of pedophilia searched buildings of the Ghent Roman Catholic Diocese on Monday, judicial sources said Tuesday.

The man, who was not identified, was arrested in October. He is suspected of violent sex offenses involving about 10 boys aged 8 to 16 years, most of them choir boys under his tutelage, the sources said. He also is suspected of pedophile offenses at the Saint Dominique School where he taught, and at summer camps.

The object of the search Monday was to establish whether the diocese had been aware of the alleged offenses, the sources said. *(AFP)*

Youth's Death Sparks Clash Near Toulouse

TOULOUSE, France — Police officers and youths clashed early Tuesday when protests flared in a suburb of Toulouse over the death of a young man in a police car chase.

About 50 rioters burned cars in Bellefontaine, west of Toulouse, and three people were arrested. No injuries were reported.

A youth was killed Monday when a stolen car in which he and three friends were riding struck a road sign while fleeing the police. The local prosecutor said Monday that the police bore no responsibility. *(Reuters)*

Problem Aboard Mir Delays Space Walk

MOSCOW — The next space walk by the Mir crew has been postponed until Jan. 8 because the team needs more time to work on a system that lowers humidity in the station, Russian space officials said Tuesday.

The space walk, which had been set for next Tuesday, has been delayed several times because of more pressing work inside the station.

The deputy flight chief, Viktor Blagov, said the crew would be working instead to resolve "small problems" with a system that removes carbon dioxide from the Mir and thereby lowers humidity. He did not elaborate. *(AP)*

Turkish Court Clears A Top Rights Activist

ANKARA — A court on Tuesday acquitted a prominent human rights activist and three others of inciting hatred in speeches made in 1996.

"Four people were acquitted, the Human Rights Association chairman Akin Birdal among them," an association official said. He said a fifth defendant, a member of a far-left party, had been sentenced to one year in prison for spreading separatist propaganda.

A separate case against the rights group for alleged breach of charter has been adjourned until February. The association could be dissolved if it is found to have acted outside its legal boundaries. *(Reuters)*

Serb Police Break Up Ethnic Albanian Protest

Reuters

PRISTINA, Yugoslavia — Riot policemen charged several hundred ethnic Albanian students who were demonstrating Tuesday in the Serbian province of Kosovo for the right to be readmitted to university, witnesses said.

Students who had been trying to gather for a mass rally in the center of Pristina, Kosovo's capital, fled into side streets as policemen wielding riot sticks waded into them.

Protesters later gathered in smaller groups and waved leaflets listing their demands at policemen. Some groups were beaten but others were unmolested. The security forces also deployed water cannon in reserve after warning the students that their demonstration would not be allowed.

Witnesses said about 2,000 students were involved, and several hundred policemen in full riot gear swamped the town center.

An attempt by the students to hold a protest march in Pristina on Oct. 1 was also broken up by policemen.

The student action is part of a campaign by militant Albanians in Kosovo to focus world attention on their demands for autonomy.

Ethnic Albanians outnumber Serbs by 9 to 1 in the volatile province, which diplomats fear could become the next powder keg to explode in the Balkans.

The students and their teachers claim they were evicted from the university after Serbia revoked Kosovo's autonomous status in 1989. Serbian authorities said the Albanians left of their own accord in a boycott.

The United States and West European governments have urged President Slobodan Milosevic of Yugoslavia to reach a compromise with the Kosovo Albanians' political leaders to prevent growing violence in Serbia's southern province spinning out of control.

At least 40 people have been killed this year in political attacks.

BALKANS: *'Doomed Generation' Novel*

Continued from Page 1

by the Belgrade press.

"The novel is written in a natural, unassuming voice," said Dr. Svetozar Koljevic, the retired chairman of the English department at Sarajevo University. "It has the feel of his generation. No one in my generation could have expressed what happened in such simple terms. He is not interested in anything, in all these nationalist movements. He only cares about the misfortunes that befall his friends."

As the novel opens, it is 1991 and Luka and a couple of childhood friends are at the train station to meet a fourth friend, Bili, who deserted the Yugoslav Army when Slovenia and Croatia declared independence. The young men take little note of the rising political crisis that will lead to the breakup of Yugoslavia, content to chase women, drink and hang out on the banks of the Drava River, dropping hand grenades into the water to catch fish. They ridicule the frenzied Croatian nationalists who gather in the center of the city waving Croatian flags, chanting slogans and calling for an independent Croatian state.

For Bili, a Slovene, the Croatian slogans of "homeland" and "independence" are just abstractions. Luka, an ethnic Serb, associates the word "ideals" with the brand name for Czech table-tennis balls and a popular floor polish. The ambitions of Greg, also a Slovene, and his friends can be summed up as: "To work as little as possible, have a drink from time to time, eat well and do the third thing" — sex.

But the conflict around them swiftly begins to poison their lives.

After shoplifting a bottle of wine, the young men get into a fight with the police and end up in jail for several hours with Dule, a young Serbian farmer who is being held on charges of being a "Chetnik." The term is used to describe the World War II Serbian irregulars who occasionally collaborated with the Germans.

After their release, members of the circle slip away to meetings held by the ragtag militias being formed by Croatian nationalists.

The daily absurdity of a war none of them want overwhelms the young men and their friends. Many look frantically for escape. Greg marries his girlfriend and goes to Thailand. Koki leaves for Zagreb, the capital of Croatia.

"Krleza said we are one people with two national consciences," Mr. Jokanovic said in an interview, referring to the Croatian author.

"It's a kind of paranoia we suffer from in the Balkans."

Bili and Luka hear that a friend, Njaca, and Bisa, Bili's old girlfriend, have been issued uniforms in a newly formed Croatian militia. The two men go to a bar where the local reservists and volunteers are organizing for war. Most in the bar are "middle-aged dregs and unemployed workers." AK-47 assault rifles lay on the tables.

The four friends are confused and upset.

"Bisa's old man was a Muslim, Njaca's was a Russian, it was certainly not easy for them to get accustomed to the role of Croatian defenders," the book explains.

Luka and Bili, to avoid the Croatian draft, head for Zagreb. They stay with Koki, but the conflict has by now undermined their friendship. Koki throws them out because of their refusal to fight for Croatia. Luka's girlfriend, Maria, embraces the Croatian nationalist cause. This ends her relationship with Luka, who cannot decide where his ethnic identity lies.

Luka and Bili leave Zagreb by train for Budapest, with Luka deciding to go "over there," meaning across the border to Serbia. Bili goes on from Budapest to Munich.

By the end of the novel, Luka is with a Serb paramilitary unit near Vukovar, in which looting and drinking take priority over fighting.

"The atmosphere was rotten," reads one of the final passages in the novel, describing the post where Luka was serving. "Bad news and even worse rumors swirled about them. Everyone waited for someone to clean up the filth pouring out of Belgrade, but there was apparently no detergent strong enough."

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Herald INTERNATIONAL Tribune
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Massacre in Chiapas

The massacre in Chiapas has brought to broad public view and to President Ernesto Zedillo's immediate agenda a crisis in Mexican public life that he had hoped he could hold off. For Chiapas is not merely the poor southern state where paramilitary groups last week took a four-hour toll of 45 unarmed Indian peasants in a single village called Acteal. "Chiapas" stands for the nation-defining split between Mexico's impoverished and neglected indigenous population and its favored modernizing elite. This split underlies the country's whole struggle to become a modern democratic nation.

Official voices suggest that the atrocities in Acteal were triggered by local or family feuds unfolding in a place where the writs of the nation-state and the ruling Institutional Revolutionary Party simply do not run. But more independent voices warn of a tolerance of violence on the part of a local power structure sustained by the national authorities.

The revolution for which the long-ruling party named itself was never completed. A further redistribution of economic opportunity and political power remains to be consummated.

But who will direct it, the state exercising its authority from the center or the people reaching for social justice where they live? The emergence, in Chiapas, of an armed revolutionary movement called the Zapatista National Liberation Army four years ago sharpened that crucial question.

President Zedillo, upon taking office, faced other tasks, and has so far not addressed it head on. Over his hesitation looms the possibility that Chiapas is less a condition treatable locally than the harbinger of a relentlessly expanding national crisis.

The instant requirement is to fix responsibility for the massacre. That work is proceeding in political as well as legal venues.

Beyond that, the Mexican authorities must hearken to plentiful and sensible appeals for a large rolling national negotiation that offers roles to the disaffected peoples, to the neglected regions and specifically to the new political opposition spawned by earlier Zedillo reforms. The first target must be the dangerously encrusted ways of his own party.

—THE WASHINGTON POST.

A Defeat for Mutilation

Egyptian women won a heartening victory for human rights and personal freedom this week when Egypt's highest court found that the ritual cutting off of the clitoris and other parts of young women's genitalia was not an Islamic religious practice authorized by the Koran.

The ruling removed the last legal barrier to enforcing the Egyptian Health Ministry's 1996 prohibition of this excruciating and life-threatening procedure, which has been inflicted on tens of thousands of Egyptian women every year, Coptic Christian and Muslim alike.

The Health Ministry must now see to it that the prohibition is vigorously and consistently enforced, in poor and rural areas as well as among the more worldly upper classes.

The ruling, with which Egypt's most prestigious Islamic scholar concurs, will also encourage anti-mutilation campaigners throughout Africa, where 2 million women undergo the procedure each year and nearly 100 million live with its disastrous physical and emotional consequences.

Typically, mutilation is inflicted on teenage or younger girls, using no anesthesia and employing unsterilized knives, razors or pieces of glass. The intended purpose is to deny women the possibility of sexual pleasure, and hence discourage sexual freedom. The unintended consequences often include infection, hemorrhaging, infertility and death.

Hundreds of thousands of African immigrants to America come from areas where female genital mutilation is common, and some have sought to perform the procedure in America. Several states, and last year the federal government, have banned the mutilation, and women fleeing their homelands to escape the practice now have a legally recognized basis for refugee status in the United States.

But the main struggle against mutilation is being waged in Africa by African women, with help from the World Health Organization, Unicef and the UN Population Fund.

In many countries these campaigners have been thwarted by critics who invoke supposed Islamic teachings and by others who charge that they are lending themselves to Western attacks on local traditions.

This is more than a local struggle. It is an international movement against ignorance and cruelty, which can only be energized by this week's ruling.

—THE NEW YORK TIMES.

The Kaczynski Plea

The Justice Department's rejection of a plea deal offered by accused Unabomber Theodore J. Kaczynski probably ought to be reconsidered.

Mr. Kaczynski is apparently willing to plead guilty to sending lethal explosive devices if the government agrees to forgo the death penalty and allow him to spend the rest of his life in prison. The government is so intent on putting Mr. Kaczynski to death, however, that prosecutors will not accept this compromise.

For those of us who oppose the death penalty, the proposed plea agreement would be a reasonable outcome. But even supporters of the death penalty should see some appeal in its safety. It would remove Mr. Kaczynski from society forever without the uncertainty inherent in a trial.

That uncertainty, of course, is limited in this case, since the prosecution's evidence is overwhelming, and since Mr. Kaczynski — by insisting on his own mental health — has rendered his defense untenable. But, despite the prosecution's winning hand, it is not at all certain that Mr. Kaczynski will be sentenced to death if the case goes to trial. It is possible, in other words, that the Justice Department may get from a trial no more than Mr. Kaczynski's lawyers are already offering.

Nor is life in prison without the possibility of parole a light sentence, one that prosecutors should be ashamed of obtaining. It was severe enough for the World Trade Center bombers and for various serial killers. The government will not lose face by sparing everyone the distasteful spectacle of a Kaczynski trial in which the central facts are not seriously at issue.

One might ask, therefore, what marginal social benefit the Justice Department hopes to accomplish by holding out for Mr. Kaczynski's death.

One thing that it will certainly accomplish is the sending of a chilling message to those — like David Kaczynski, the brother of the accused — who are forced to make the agonizing choice of turning their family members over to federal law enforcement. The department's message, in effect, is that not only will the government use your help and then seek the death penalty where appropriate, but it will ignore reasonable alternatives when they arise — even if those alternatives are faster, cheaper and less risky than pursuing a death sentence. For people contemplating turning in members of their own families, such an attitude on the part of the government could make the difference between helping law enforcement and keeping quiet.

Executions are becoming increasingly routine. This year has seen 74 of them. The growing frequency of capital punishment creates a public expectation that death is the only acceptable punishment for heinous murderers. Prosecutors who do not seek the penalty can look weak — especially if, like Attorney General Janet Reno, they personally oppose capital punishment.

In a high-profile case such as this one, in which the defendant was able to mock the FBI for nearly two decades and even publish a manifesto, the temptation to demonstrate the full force of the criminal justice system is understandable. This should not be what is driving the department. Putting Mr. Kaczynski away for life and disposing of his case swiftly and justly would not demonstrate weakness. It would be a show of strength.

—THE WASHINGTON POST.

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Cautious Science Remains the Smart Way Ahead

By Robert L. Park

WASHINGTON — The trouble with the future, as someone once said, is that there are so many of them.

In 1945, Arthur C. Clarke, the science fiction writer best known for "2001: A Space Odyssey," predicted that artificial satellites in geosynchronous orbits would one day be used to relay radio messages around the world. Communications experts scoffed.

The idea of such an artificial moon was still science fiction. It would be another 12 years before the Soviets would shock the world with the launching of Sputnik.

It was a brilliant insight, but the satellites that Arthur C. Clarke envisioned were huge affairs, with living quarters for a crew whose principal task was to replace vacuum tubes as they burned out.

Two years after he made his prediction, the transistor was invented. Today there are nearly 200 communications satellites; it is a $15 billion-a-year business and growing. No larger than a Volkswagen, each satellite flawlessly relays vastly more information than the huge space stations proposed by Clarke, and they have no need for a crew. Clarke foresaw communications satellites, but not microelectronics.

Science is a wild card. The further we try to project into the future, the more certain it is that some unforeseen, perhaps unforeseeable discovery will shuffle the deck before we get there. Even though science has made incredible progress in this century, plenty of wild cards remain uncovered.

Sometimes, as in the case of microelectronics, science provides a future far beyond anything we could have imagined. But science is just as likely to impose limits on our dreams.

In 1618, Robert Fludd, an English physician, dreamed of easing the burden on farmers. For centuries, water wheels had been used in Europe to grind flour, but many areas lacked suitable streams for a mill, which meant that farmers were often forced to transport their grain great distances.

Fludd's solution: have the water wheel drive a pump as well as grind flour. The water that had turned the wheel would be pumped back up into a reservoir that fed the millrace. The reservoir could run the mill indefinitely. Fludd's gristmill would be, in sum, a perpetual motion machine.

The idea failed, of course, but the failure led to one of the greatest scientific insights in history: the conservation of energy embodied in the laws of thermodynamics.

In the nearly 400 years since Fludd's disappointment, hundreds of inventors around the world have tried to beat the laws of thermodynamics and failed. In frustration, and perhaps embarrassment, many inventors resorted to fraud, building complex devices with cleverly concealed sources of energy. Each failure, and each fraud, once it was exposed, established the laws of thermodynamics more firmly.

There are no perpetual motion machines in our future. Science may not enable us to foresee the future, but it does allow us to rule some futures out.

You might suppose, therefore, that people who make a business of predicting the future would immerse themselves in science. In fact, they are more likely to immerse themselves in astrology.

But daily horoscope writers and tabloid psychics are rather harmless. Their modest claims to foresee the future rarely go much beyond predicting marital problems for Hollywood celebrities.

With each hard-won insight, the scientist pauses just long enough to plot a new course.

Nor am I much troubled by Madame Zelda, whose sign hangs in the window above the deli across from my office. It simply says, "Readings." Zelda will read tarot cards, tea leaves, palms, whatever you feel comfortable with, and she will give you the most accurate prediction possible within the limitations of that technology. But those who consult fortune tellers and psychics are probably beyond help anyway.

What concerns me are the professional "futurists" — for instance, the late Herman Kahn, who prided himself on developing elaborate doomsday scenarios and on "thinking the unthinkable."

People who are otherwise intelligent are inclined to take such futurists very seriously. The further ahead these "experts" project their minds, the deeper their insights are thought to be. If they think far enough into the future, they are called "visionaries."

Futurists would rather not predict what will happen next year. They prefer to think further ahead. Some spend their working lives cranking out predictions of what things will be like after they are safely retired.

Things such as colonies on Mars. That possibility violates no laws of physics, but we got a glimpse of Mars last summer, and I can tell you that the prospect of a colony there doesn't look very promising.

You may wonder how futurists persuade anyone to take them seriously. Well, they do it the same way Madame Zelda does it. Futurists tell people what they want to hear — predictions that resonate with their own hopes, or fears, or religious convictions.

Dennis Gabor, the British physicist who won the Nobel prize in 1971 for holography, once suggested that if we can't predict the future, perhaps we can invent it. He proposed that a group of very smart people be asked to prepare a list of possible futures.

It would then be up to society to decide democratically which of these futures most closely corresponds to the sort of world we want to live in. We could then design policies intended to get us there.

Society, however, needs to know whether the future we choose is actually achievable. Putting humans on the moon was difficult but achievable. Fludd's perpetual motion gristmill had a laudable objective, but it was impossible.

Science has a way of getting to the future without consulting futurists. The historian Arnold Toynbee once explained his phenomenal productivity. "I learn each day," he said, "what I need to know to do tomorrow's work." Science advances in much the same way.

With each hard-won insight, the scientist pauses just long enough to plot a new course, designed to take advantage of what has just been learned. If you focus on too distant a goal, you may find a crevasse blocking your way that didn't appear on the map. Better to follow the contours of the terrain.

In this journey, the futurists are simply irrelevant.

The writer, a professor of physics at the University of Maryland, is author of the forthcoming book "Voodoo Science." He contributed this comment to The New York Times.

Don't Expect Socialism for Investors to Go On Forever

By Kevin Phillips

WASHINGTON — It is hard to avoid the eerie feeling that the biggest political and economic news of the year ahead will be the failure of some attempted giant financial bailout. South Korea, maybe. Or a triple whammy from Indonesia, Thailand and South Korea.

Of course, it could be Japan, which is hurting — and too big to be bailed out by anything but its own resources and fortune.

But the pivot may be whether the ultimate problem comes in the biggest bailed-out economy of all: the United States of Lockheed and Chrysler, overnight loans from the friendly Federal Reserve, portable peso oxygen tents, commercial bank transfusion kits, a capital city with more influence-peddlers than Seoul, and shady Asian political donors filling the Lincoln bedroom.

The first bailouts, Chrysler and Lockheed back in the 1970s, were relative peanuts. The big bubble pipe came out in the 1980s. Part of the action came from tax cuts, deregulation and electronic program trading that helped turn the global financial markets into a 24-hour roulette wheel and "spectronic" Monte Carlo.

But a large part also came from what can be called "lobster salad socialism" — the commitment of the major financial nations to bail out stock markets, banks, central banks and even entire nations that have made unwise investments.

The devices involved are too many and complicated for more than a one-paragraph tour: IMF bailouts, World Bank bridge loans, Brady bonds, periodic floods of liquidity from the U.S. Federal Reserve, the New Arrangements on Borrowing, or NAB, and the Exchange Stabilization Fund.

Small wonder that after nearly two decades of this economic bungee-jumping, many banks, stock markets and Asian cartels started to feel invincible.

And their colleagues in the United States did, too.

Multinational corporations and Texas and Illinois banks got bailed out in the 1970s and early 1980s. By the late 1980s, federal bailout benefits had spread — at an eventual cost of hundreds of billions of dollars — to run-amok savings and loans and commercial banks.

The insistence from Washington, of course, was that this was necessary to save Mom-and-Pop depositors. Too often they were $5-million and $30-million Moms and Pops, though, with fancy addresses in Nassau or the Cayman Islands.

Until late in the game, the U.S. federal deposit insurance honchos paid off big depositors — in taxpayer dollars, mind — with no attention to the nominal $100,000 limit.

Worse still, by 1992 and 1993, when all the banks were rescued and their profits and stocks began to soar again, Washington paid no attention to suggestions that excess profits taxes be imposed to recoup some of the previous federal (read: taxpayer) assistance.

Bailouts for U.S. investors took other forms as well. After the stock market crashed in 1987, the Federal Reserve pumped out money — liquidity, in red-suspender parlance — to get the indexes back up. Some traders contend that the Fed also bought futures contracts.

Then in late 1994, when the Mexican peso crashed, the Clinton administration arranged a multibillion-dollar bailout to save investors in unsafe, high-interest Mexican bonds.

One of the most encouraging Washington developments of the last month is the number of cynical conservatives, liberals and middle-of-the-roaders who are starting to describe this as just what it is: state capitalism, financial mercantilism, socialism or maybe collectivism. Take your choice.

But forget the old definitions. Meaningful socialism no longer involves collective ownership of factories. That is smokestack-era stuff. The new financial socialism now collectivizes the perils of insolvency, not the means of production.

If factory socialism 60 years ago worked to redistribute money downward, financial collectivism reduces speculative investment risk and therefore redistributes wealth and income upward — what we have seen in the last 15 years.

Which brings us to the potential politics. The first question: How long can market forces be kept at bay as bailout is piled on bailout? It is certainly possible that 1998 will turn out to be the year the bubble pops.

If so, it's a good bet that popping Washington party-system and income-distribution bubbles won't be far behind.

The ordinary citizenry, in both the United States and Japan, is starting to figure out the abusive political economics involved. One well-known presidential contender, for example, recently complained: "The working and middle classes are endlessly conscripted, dunned and sacrificed — to rescue the investing classes." No, not Jesse Jackson or Ralph Nader but Patrick J. Buchanan.

Up on Capitol Hill, a senator complained that, for Wall Street, bailouts have been "a heads I win, tails the taxpayer loses" scenario. Senator Edward M. Kennedy? No, Republican Senator Lauch Faircloth of North Carolina.

Three years ago, the American public was lopsidedly opposed to the peso bailout, and the newest data suggest that they are no happier to have the United States helping to fund the IMF Asian bailouts.

The Japanese electorate has become extremely sensitive to having consumption taxes increased to fund rescues that they see as politicians taking care of banking and financial cronies.

What we may see here is the beginning of a new issue — and, possibly, the beginning of the end for bailouts and lobster salad socialism.

The lobster salad part is beyond debate. One recent story in a weekly newsmagazine noted that Wall Street is making so much money that young employees are getting fired for discussing their salaries.

The Center on Budget and Policy Priorities just released data showing that because of Wall Street and financial-sector profits, New York State now has America's greatest income gap between the rich and the poor. California is not far behind.

This suggests an obvious reform. Instead of taxpayers being saddled with sustaining the IMF and the collectivized costs of insolvency, it would make sense to privatize these responsibilities to the banking and investment sectors. Part of their riches of the last decade flowed from the taxpayer-subsidized bank and S&L bailout. Now it ought to be payback time.

Congress can arrange that by ending the current taxpayer-based IMF funding in favor of a changeover to what economists call an FTT — a small tax on financial transactions (stock, bond, currency or otherwise).

By one computation, a tax of one-fifth of 1 percent of the value of each transaction in the United States would raise $20 billion to $30 billion a year. The same tax, globally, would raise something like $100 billion, paid by precisely those people and interests who profit from the IMF's de facto international insurance.

Of course, there is a chance that the bubble machine can go on and on. And there is a greater possibility that the bailout brigade can puff and patch their way through 1998. But it is still tempting to conclude that one of the next major issues of U.S. politics is coming up fast.

The writer is publisher of American Political Report. He contributed this comment to the Los Angeles Times.

A Tragic Vision for the Nation

By Jean Daniel

PARIS — The Oslo negotiators had a secret hope that the Palestinians themselves could salute the 50th anniversary of the Hebrew state. Each side was aware of having carried out a revolution in attitudes and ambitions.

A new era of cooperation was dawning between two young peoples, which should prove an example for all the Middle East and the world at large. They were declaring that adversaries must know how to end a conflict.

Simple, blunt and practical, the warrior Yitzhak Rabin harbored no illusions when he chose peace. The way ahead would be extremely hard. He felt that it was on the ground and in people's hearts that reconciliation could come, rather than at the White House.

The general turned prime minister did not share Shimon Peres's futuristic-technocratic image of the Middle East. He did not think computers could overcome prejudice. He had two strong ideas. First, that although everything cannot be achieved at once, progress must never stop. And second, that confidence was the only motor for moving forward together.

All those problems that had at first seemed insoluble, such as the settlements or even Jerusalem, would be seen in a different light when confidence was installed. Mr. Rabin's implicit aim, the logic of his approach, pointed to de jure cooperation between two national communities and not to the de facto separation of today.

What, right from the outset, could undermine this confidence-building strategy? Only one thing: insecurity, and thus the extremists on both sides who could bring it about.

Faced with that crucial problem, Mr. Rabin — and no one else — invented this rule: We must pursue the peace process as if there were no terrorism, and combat terrorism as if there were no peace process.

That may not seem like much, but it was and remains an entire policy. It was and remains the only way of associating Yasser Arafat with the fight against terrorism. Benjamin Netanyahu has turned his back on that policy and that goal.

By making continuation of the peace process depend on the end of terrorism; by pretending not to understand that the Palestinians' struggle against their extremists could be nourished only by political successes won; and finally by presenting bursts of violence as violations of the Oslo agreements, violations that he used as a pretext to break the territorial promises contained in those agreements — the successor of Yitzak Rabin and Shimon Peres chose to end the search for reconciliation and cooperation.

It was perverse and diabolical. Playing with security worries is doubtless the most irresponsible of undertakings for an Israeli leader.

Of course, this past year's 50th anniversary reminds us of other things, too.

First, the fact, emphasized by many Arab politicians, that if the Palestinians — or rather at that time their Jordanian, Syrian and Egyptian tutors — had accepted the UN partition plan, five wars would probably have been avoided, and Israel would doubtless not be occupying the territories it now holds.

And in half a century Israelis have created, for themselves at least, an impressively stable democracy with a high standard of living.

Thirdly, before the 1967 war, which led to occupation of Arab Jerusalem, the religious dimension was as weak in the Israeli identity as it had been in the solidarity of the diasporas. It was also weak in Arab nationalism.

The great Zionist dream was born not in the mind of a prophet inspired by return to the land of Canaan but in a proud man who decided to found a nation because he had been refused one. Theodor Herzl never claimed to be returning to tradition, but on the contrary to be creating something out of a land he thought uninhabited, for a people which found itself landless.

The greatest Jewish philosopher of this century, the metaphysician Martin Buber, believed that Zionism would be truly justified and would accomplish its real mission only when it achieved recognition and acceptance by the inhabitants of Palestine and Israel's neighbors.

Doubtless Israel had to impose itself to triumph over Arab refusal. But after surviving by force, it had to live in peace.

Benjamin Netanyahu's inspirer, Vladimir Jabotinsky, thought exactly the opposite. He thought Israel eternally condemned to the surrounding hostility. He saw in this solitude a confirmation of election, and in exalted despair a springboard for action. This epic — and tragic — vision of the Israeli identity is today tearing the Jewish nation apart, and playing into the hand of Islamism throughout the region.

The writer, publisher of the weekly Le Nouvel Observateur, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Risky Interview

PARIS — [The Herald says in an Editorial:] It is a dangerous thing to interview the Cuban commander in the field, for he has always his suspicions that the correspondent who attempts the task is a Spanish spy in disguise, and executions are rather summary in the Cuban camps. But when Senor Sagasta's plan of autonomy was proposed, naturally the newspapers wanted to know what General Gomez thought of it and sent correspondents to interview him. General Gomez is as much opposed to annexation by the United States as he is to autonomy. He declares that he would favor an American protectorate, after he drives out the Spaniards.

1922: Candy Banned

PRAGUE — A ban on candy has been proclaimed by law to preserve the health of schoolchildren. By forbidding the sale of sweets by other than regular dealers, the purchasing of candy for youngsters is left entirely to parents, and they have been asked to limit the amount eaten.

1947: King Abdicates

BUCHAREST — King Michael of Romania abdicated today [Dec. 30]. A high government official said he can, "and probably will," marry Princess Anne of Bourbon-Parma and Denmark. Three hours after the King announced his abdication in a broadcast to his people, Romania became a popular republic by unanimous vote of the 256 Parliamentary Deputies. The King's announcement came as a complete surprise to political circles. Michael said that present changes in Romania had made an alteration necessary and that the monarchy is a "serious impediment to our social progress."

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OPINION/LETTERS

Modest Success in Bosnia For 'Clinton Doctrine'

By E. J. Dionne Jr.

WASHINGTON — For those who see American power as a force for good in the world, it was a touching moment. For those who worry that American soldiers will be used all over the globe to settle other peoples' conflicts, it was petrifying.

In Sarajevo last week, President Bill Clinton asked a group of young Bosnians, "What's the most important thing the United States can do?"

"Stay!" a woman replied. To which a young man added: "The next 50 years, please."

American troops will not be in Bosnia for 50 years. But that young man summarized the worries in Congress over the United States' open-ended Balkan commitment and the cost of using American soldiers not as warriors but as peacemakers.

Mr. Clinton had to keep American troops in Bosnia, and he could not set a new date for their withdrawal because already he has had to back off from an old date. The old date was never real. It was a bow to public and congressional sentiment.

A withdrawal now would squander whatever good we Americans have managed to do. Pulling out also would have endangered the commitment of our European allies. It would be odd for the United States to say expanding NATO is important and then back out of the one serious mission that post-Cold War NATO has taken on.

The Dayton peace accords now have at least a chance of working — but in the most modest sense. As a candid State Department official noted, Dayton is as much a set of options as it is a framework for national unity. Depending on what the parties to the conflict decide, Dayton could lead to a loosely federated Bosnia or to its de facto partition. Either is better than slaughter, but it is partition that seems to be winning.

Refugees find themselves stranded and unable to occupy their homes. There is no effective national government. Leaders of the NATO forces regularly confess they are not sure how Bosnia will make the leap from the absence of war to the creation of peace.

The objections to President Clinton's decision to keep the troops on the ground can be summarized under three policy-speak headings: "nation-building," "mission creep" and "exit strategy." Their touchstone is the failure of U.S. policy in Somalia.

"Nation-building" is said not to be a task for the military.

In part, this is true. The soldiers on the ground are not the primary nation-builders. They are there to create circumstances in which the Bosnians themselves, with some outside civilian help, can create institutions of their own — especially a political system, a police force, independent news media.

Outsiders cannot create a nation if the nation does not want to create itself. But in this case, the presence of outsiders is a precondition for nation-building.

"Mission creep" applied perfectly to Somalia, a poorly thought-through "humanitarian" mission that inevitably got us enmeshed in local politics. All humanitarian missions are in some sense political. In Bosnia, at least, we know that. We are up to our ears in politics. We do not have a prayer of pulling off anything good unless we remain so.

As for "exit strategy," the critics are entirely right: Mr. Clinton admitted there was none when he refused to set a withdrawal date. This is a problem not for domestic opinion — the early polls show Americans will accept the commitment as long as fighting does not resume — but for Bosnia itself. The young man who wants us there 50 years is telling us his country will explode absent the outsiders.

Welcome to The Clinton Doctrine. It involves avoiding war but using American troops in modest numbers in many places to create space for democracy (as in Haiti) or to keep warring factions from fighting again (as in Bosnia).

It is a doctrine that cannot be applied everywhere — the critics are right that the United States cannot take on every burden. We will engage in some places and pass on others. It is thus a modest doctrine, and it certainly does not tell us what those soldiers scattered around the globe would do if they came under sustained fire.

But in Bosnia, at least, the doctrine is working in its modest and limited way. And that's why Mr. Clinton had to keep the troops there.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Britain and Europe

Regarding "Blair Flunks the Single-Currency Test" (Thinking Ahead, Dec. 2) by Reginald Dale:

Mr. Dale indicates that Prime Minister Tony Blair's approach is naive and ambiguous and that Mr. Blair is unwilling to make hard choices. His commentary is not based on economic principles or economic reality.

Ultimately, the state of a country's economy and the welfare of its citizens, not grand political schemes, must be the focus of a government. Economics, not political events, must determine when and whether Britain joins the single currency, not vice versa. Joining a single currency now would bring unnecessary hardship to the British people.

Britain is booming. The country is providing an example to Continental Europe on how it must dismantle its welfare states and regulation-bound economies.

Britain's unemployment rate has fallen to a 17-year low of 5.1 percent versus 12 percent in Germany and France, 13 percent in Belgium and Italy and 20 percent in Spain. Britain is now the most modern of the European countries and the most successful economically.

The badly run European Union economies are inflicting unnecessary misery on millions of people and stifling business growth and innovation. Living in Brussels, as I do, is like revisiting pre-Thatcherite England. It is infuriating to see lives and ambition wasted.

Does Mr. Dale wish to inflict this "Euro-disease" on Britain or does he think such disparate economies can coexist within one currency?

Joining a single currency means giving up the ability to micromanage your economy. It means that when times are hard the government can drop interest rates, and can borrow to increase spending and soften the blow of economic hardship. It also means that in good times the chancellor of the Exchequer has the tools to slow too rapid an economy.

Britain would lose this ability if monetary policy were ceded to a European central bank and fiscal policy were determined by the Maastricht agreement.

With current management, one can expect Britain to enjoy decent growth with low inflation and further reductions in unemployment in the coming years. When Continental Europe is ready to join Britain on an equal economic footing, and not before, it will be worth Britain's joining the single currency.

ROBERT A. MARQUARDT.
Rosières, Belgium.

About the Dog

Regarding "Quotel/Unquote" (Dec. 10):

The White House spokesman's explanation of why President Bill Clinton got a dog — "a bond occurred" — exemplifies the president's decision-making style.

Michael McCurry could have given any number of reasonable explanations for the decision to adopt a puppy, such as Bill and Hillary's desire to fill the empty nest after Chelsea's departure for college.

Whether the puppy is White House-broken is not the problem; the president's impulsiveness is. Worse is Mr. Clinton's tendency to act without weighing the opinions of his advisers. One can only wonder if Socks the cat was even consulted.

SYBILLA G. DORROS.
Boston.

Correction

The name of the writer of a letter from Rome, published on this page yesterday, was mistranscribed. It is James Swetnam.

On Mushy-Left Empathy And an Angry Squirrel

By Ellen Goodman

BOSTON — It's 7 A.M. and Hazel is angry.

She stands on my windowsill, front paws against the glass pane, eyes narrowed, hissing: "What the $!&% is this?"

I feel her fury even though I refuse to meet her glare, even though I studiously continue reading my paper, even though I do not

MEANWHILE

speak the whiny little Squirrelese that is her native tongue.

The $!&% that has prompted her ire is the new bird feeder, although of course Hazel does not see it that way. Hazel believes deeply in her gut — the primary source of any emotions attributed to her species — that this is a squirrel feeder.

Indeed, why shouldn't she? For 18 months a daily cache of sunflower seeds flowed from a large plastic cylinder conveniently located a hop, skip and jump from the tree that grows outside my second-story kitchen. The bottom of the container was a wooden platform for my feathered friends.

My aviary invitation list was composed of nuthatches, titmice, chickadees, finches and sparrows. But Hazel regularly crashed this buffet line. She spent long hours sprawled on this wooden lounge dropping sunflower seeds into her mouth, rather like a Roman emperor feasting on grapes.

I watched her dine with a mixture of hostility and admiration.

But when the feeder went crashing to the ground one stormy night, I replaced it with one that is, I am told, guaranteed to make life harder for her breed.

Now Hazel is angry. She turns from me, slaps the feeder as if it's a punching bag, tries to embrace the swaying cylinder and falls to the ground, only to scramble up and try again.

Here is the rub. Instead of feeling victorious this morning as my omnivorous nemesis stands defeated, I am feeling guilty. And a bit mean-spirited.

I know, I know. This is the problem with those of us who occupy the mushy left, even those of us who call ourselves progressives. We make lousy enemies. We are rotten at carrying grudges — except of course against each other — and are wimpy haters.

I ask Hazel: "Do you think that Jesse Helms would have trouble evicting a squirrel from his bird feeder?" Not on your life.

Would Newt Gingrich worry that he was committing a kind of species-ism, favoring the feathered over the furry creatures? No way.

Would the radio commentator Rush Limbaugh admit to a grudging admiration for the nerve and gymnastic skill of this second-story burglar? Forget it.

Unaware of my internal diatribe, Hazel tries this time to walk the metal tightrope to the feeder. She slips again.

Grimacing with compassion, I remember the day I named her. In the middle of a blizzard, out of seeds but not sympathy, and against my self-interest, I fed her what I had: hazelnuts.

Now, retreating cowardly to the living room where I cannot see her frustration, I know that no right-wing think tanker would feed the enemy. But the mushy left is cursed with empathy and an ability to see the other side — even of a windowpane.

I do not mean to mix politics with sunflower seeds. I have no idea of Hazel's social views, although she has a short agenda and will only grudgingly share her wealth.

Nevertheless, when I return to the kitchen some hours later this is what I see: a small gray squirrel dangling upside down, holding the hanger in her hind paws, circling the feeder with her front paws, burrowing her nose into the holes, happily chomping. Around her a chickadee boldly shares the meal.

The long and the short of it is that while I was worrying, she was evolving. While I was analyzing the problem, she was solving it. While I am Progressive, Hazel is pure Darwinian.

When at long last she has had her fill, this most fit survivor drops back to the windowsill and the birds take up their coexisting post. Proudly standing on her own two feet, Hazel leans against the pane, staring at me smugly.

This is what we have learned. With my seed money and her resourcefulness, we'll all make it through the winter. Squirrel away that thought.

The Boston Globe.

ADVERTISEMENT

Vienna Lines Up with the UN Against the 'Uncivil Society'

A new office has a mission to combat criminal elements that threaten global society.

CITY OF VIENNA

Michael Häupl, mayor and governor of Vienna.

"For me as mayor and governor, and for the Vienna city administration, it is a matter of great urgency to strengthen the international role of Vienna and, as far as possible, to enhance it. Looking after the international organizations based in Vienna, permanently assuring the future of the UN Office at Vienna and, above all, getting new organizations to settle [here] is a major concern of mine. The fact that the UN Office at Vienna is today the only one in a European Union capital must surely be an advantage for the international community."

— Michael Häupl, mayor and governor of Vienna (October 25, 1997)

It was arguably diplomats at the 1814-15 Congress of Vienna who changed the face of Europe during the 19th century and thereafter. It may well be specialists at the Vienna International Centre (VIC) during the closing years of the 20th century who determine the well-being of civilized society into the foreseeable future.

A whole new set of ground rules governing societal conduct at the world level is being formulated under the auspices of the United Nations in the Austrian capital. Hitherto hidden links between international crime and everyday life are being exposed and, ideally, countered.

Vienna has become the location of an international crime prevention and human rights center owing to cooperation among the UN, non-governmental organizations and the city administration. Since the VIC opened in 1979 as the third permanent UN headquarters, attention has been focused on the work of bodies such as the UN Office at Vienna (UNOV), the International Atomic Energy Agency and Unido (the UN Industrial Development Organization); the Comprehensive Nuclear Test-Ban Treaty Organization is a more recent addition. The latest emphasis on crime is a response to the challenges of the modern world. These are influenced by aspects (both positive and negative) of the Schengen border agreement, the euro currency, and globalization.

Kofi A. Annan, UN secretary-general, postulated in his inaugural plan for reorganizing the world body that it is imperative to combat all aspects of what he called the "uncivil" society. In Vienna, the only UN headquarters location in the European Union, his words fell on responsive ears.

"The same means of communication and personal mobility that make it possible for civil society actors to function globally also enable 'uncivil society' actors to do so," said Mr. Annan ("Renewal Amid Transition" 1997).

Mayor and Governor Michael Häupl of Vienna has pledged to help combat the uncivil society in every possible way, whether in drug trafficking, organized crime, terrorism or other infringements of human rights.

Alternatives needed

To this end, close cooperation has been established (and is being intensified) with UN bodies in the Vienna International Centre as well as with the European Union and Vienna-based NGOs such as the International Helsinki Federation and Amnesty International. Of crucial significance has been the creation, within the framework of UNOV, of the Office for Drug Control and Crime Prevention (ODCCP). It was formally constituted on November 1, 1997, as a central body in the fight against all forms of transnational crime. ODCCP has a massive obligation in today's world, where an estimated one billion dollars in crime profits are laundered through financial markets daily — the stability of the world's economic system could easily be endangered.

UNOV Director-General Pino Arlacchi is eager, however, to keep the matter in perspective. "The growth of organized crime and drug trafficking," he says, "is often a response to the absence of economic alternatives so we must address the roots of the problem and couple legal measures with development aid, all the time understanding that respect for human rights is central to our mission."

The world at home

Precisely in this field Vienna can claim several achievements, starting with its hosting of the World Conference on Human Rights in June 1993. A record number of national delegations and NGOs attended this conference.

Even earlier, the Austrian capital had been chosen as the seat of the International Helsinki Federation's secretariat, which monitors compliance with the human rights provisions of the Helsinki Final Act. Another offshoot of the Helsinki process, the Organization for Security and Cooperation in Europe, likewise has its operational headquarters in Vienna.

At the municipal level, the Viennese Fund for Integration has been operating as a rallying point and advice center for immigrants and asylum seekers during the past five years. Since November 1996, the fund has been fully integrated into the city administration under the aegis of the City Councilor for Integration Affairs. Needless to say, the status and living conditions of "guest workers" has been the body's prime concern. Although considerable progress has been made, much remains to be done so that the slogan "Vienna: Where the World Can Feel at Home" can apply fully to the guest workers.

Convincing example

Since immigration is a matter of concern to the whole European Union, it is understandable that Vienna welcomed the EU's offer to install the European Monitoring Center on Racism and Xenophobia in the Austrian capital. The center will be constituted next month, with a mission of "providing the EU and its member countries with objective, reliable and comparable information on racist, xenophobic and anti-Semitic phenomena at the European level" (EU Decree No.1035/97).

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WRITER: *David Hermges, based in Vienna.*
Program Director: *Bill Mahder.*

With the 50th anniversary of the Universal Declaration on Human Rights due to be celebrated in December 1998, Austria will make human rights a major issue during Austria's presidency of the European Union in the second half of 1998. A national committee, set up for this purpose, will play a key role in ensuring that the country sets a convincing example for the whole world.

UN DPI/EVAN SCHNEIDER

Kofi Anan, UN secretary-general (left), and Pino Arlacchi, UN undersecretary-general and director-general of the United Nations Office at Vienna.

"One of my goals since taking office has been to put into practice the reform proposal to make the United Nations in Vienna the driving force behind global efforts to combat drug trafficking, organized crime and international terrorism – what the Secretary-General has called the 'uncivil' society. At stake is nothing less than the security, safety and health of individuals, society at large and of nations. The threat is to us all. We must assume the responsibility jointly."

— Pino Arlacchi, UN undersecretary-general and, since September 1997, director-general of UNOV, the United Nations Office at Vienna (October 23, 1997)

Alan E. Solomon/The New York Times

The veteran tapper Jimmy Slyde leading amateur dancers at Mazzeo's restaurant in Pittsfield, Massachusetts.

America's Tap Dancing Revival

By Bruce Weber
New York Times Service

PITTSFIELD, Massachusetts — The sound of the 50 amateur tappers tapping at Mazzeo's restaurant in Pittsfield was something like that of a stampeding herd of bison way off on the horizon, a rhythmic rumble heralding an imminent arrival.

It was an unlikely place for an artistic frontier, perhaps, an unassuming Italian joint with a small dance floor in a city in western Massachusetts that has fallen on hard times. But the mass dance, led by the veteran tappers Jimmy Slyde and Dianne Walker, at the end of an evening of frenetic performances by local residents, held an unmistakable message: Tapping is out there.

The occasion this month was a kind of community performance salon, the celebratory conclusion of a 12-week introductory tap program sponsored this fall by the Jacob's Pillow Dance Festival in nearby Becket. In some ways it was a lesson in survival.

Indeed, like the bison, once nearly extinct but kept alive by a few hearty perpetuators until a new herd could be born, tap-dancing, a venerable American art form that nearly vanished with the rise to primacy of rock 'n' roll culture, has once again become a viable genre in dance entertainment, both on public stages and in a growing subculture.

"It never went away," said Slyde, a legend in the tap-dance community who appeared on Broadway in the 1989 musical "Black and Blue," a blues and tap revue that originated in Paris. Slyde, who is 70, spent much of the 1960s and '70s performing in Europe. "It's just that people's interest just kind of went another way for a while."

The resurgence is most visible in the success of home-grown Broadway shows like "Jelly's Last Jam," "Bring In da Noise, Bring In da Funk," and imports like "Tap Dogs," the muscular rugby-style dance ensemble from Australia; "Riverdance," the Irish step-dancing extravaganza that employs American tappers in its road company, and even "Stomp," the wordless, inventive show from Britain that exploits the rhythmic capabilities of garage implements, a kind of tap dance with hoses, brooms and garbage cans.

But as was evident in Pittsfield, there is a crescendo of toe-tapping on less prominent stages as well. On May 25, the birthday of Bill "Bojangles" Robinson, 32 American cities held celebrations of national tap-dance day.

Last summer, festivals exclusively devoted to tap were held in Seattle, Chicago, Las Vegas and St. Louis, Missouri. This winter, additional tap festivals are being held in Minneapolis, Atlanta and Ann Arbor, Michigan.

And there's a relatively new form, stepping, a kind of cross between cheerleading and military maneuvers, with roots in South African gumboot dancing. It has emerged as a craze on American college campuses.

"It's kind of like a tap explosion," said Jackie Szablewski, the program director of the International Tap Association, based in Boulder, Colorado.

Much of the current interest, particularly among young people, is the result of high-profile stars such as Gregory Hines, who starred as Jelly Roll Morton in "Jelly's Last Jam" and the 1989 movie "Tap."

But even more influential is his protégé, Savion Glover, 24, the dancer who choreographed "Bring In da Noise" and, until his departure last July, was its star.

TAP is growing, Slyde said, primarily because of Glover. "He just put a whole other energy into it, leaving everyone in the dust," Slyde said.

Glover's style of dancing has evoked a response from a younger generation of blacks. In the '60s and '70s, it was the equivalent generation that turned away from tap, seeing Uncle Tom-ism in its tradition of shuffles and flashy smiles, particularly as dancers like Robinson were portrayed in Hollywood films.

"That's something that did happen to some of us," said Sandra Burton, a dance professor at nearby Williams College, who helped organized the Pittsfield program. "African-American dance has been wounded by those stereotypes inherited from the minstrel shows."

"The artists were hurt, because they seemed to represent something we couldn't be proud of," she added. "But the thing about tap is that it's a genuine, vernacular form."

Strehler and a European Vision

By David Stevens
International Herald Tribune

PARIS — The death on Christmas Day of Giorgio Strehler hit the European theater world like a thunderbolt. It is surely the end of an era, theater being the transient art it is, but he leaves behind a permanent institution and, perhaps more important, a theatrical imagination and a breadth of social vision that has influenced many others who practice the same metier of stage director.

Born in 1921 in the Trieste area of Italian, Austrian and French forebears, Strehler was pan-European before the Common Market. When he was named director of the Theatre de l'Europe, based at the Odeon in Paris, he was quoted as saying "It is in the mind that Europe will be built, not with the gentlemen in Strasbourg."

He founded the Piccolo Teatro *della Citta di Milano* in 1947, about the time that Jean Vilar created the Avignon Festival and revived the Theatre National Populaire in Paris. But the idea of a permanent theatrical troupe hardly existed in Italy at the time and now, after 50 years, is still embattled.

Luca Bruno/The Associated Press (1991)

Giorgio Strehler giving a lesson at his Piccolo Teatro.

Strehler was above all a champion of Goldoni, the 18th-century Venetian portrayer of popular life. The Piccolo Teatro's calling card from the first year was "Arlecchino, Servitore di due padroni," which Strehler reinvented as a nostalgic dream of commedia dell'arte, with spring-loaded clockwork timing, almost balletic body language and a delicious mixture of regional accents.

After six revisions of the staging, it was supposed to be retired. But there is now a seventh edition, mainly for the students of the Piccolo Teatro's school. *It is due at the Paris Odeon in March.*

Another phenomenal survival record for a theatrical creation is the 1973 staging of Mozart's "Marriage of Figaro" Strehler did for the Paris Opera. Rolf Liebermann, who had been hired to revive this nearly moribund institution engaged Strehler to stage his opening production. Rarely have singers been seen to act so well, and this earthy, sometimes vulgar, always real piece of musical theater was truly memorable.

Operatic productions notoriously begin to disintegrate as soon as the stage director leaves town. Yet somehow, frayed at the edges and with Ezio Frigerio's sets rejigged to fit onto the Bastille stage, this "Figaro" has survived long enough to be the opening production of this season. An operatic production that lasts 24 years in any shape is almost unheard of.

Bertolt Brecht was another pillar of Strehler's repertory. Symbolically enough, Brecht spent his 58th and last birthday at the Piccolo Teatro for the opening night of Strehler's production of "The Threepenny Opera," a work he came back to repeatedly, along with most of the author's major and minor works.

For 10 years, from the mid-'60s, Strehler was a presence at the Salzburg Festival. His enchanting production of Mozart's "Abduction From the Seraglio" was on the bill every year and his two-part adaptation of Shakespeare's early three-part "Henry VI" was a milestone in modern presentation of the Bard. The relationship with the festival ended after a 1974 production of "The Magic Flute," with Herbert von Karajan conducting, misfired. Nevertheless it is remembered by many as a beautifully introspective realization that disappeared prematurely.

LONDON THEATER

That Was the Year That Wasn't

By Sheridan Morley
International Herald Tribune

LONDON — Annus horribilis. Right, then, let us just survey the battlefield, and this at the end of a year that I remind you brought us a supposedly arts-friendly government:

Covent Garden: board resigned, builders in, touring and interim plans a shambles. Old Vic: for sale, Peter Hall forced out, no sign of a likely buyer. Chichester: director resigned, board told to do likewise if they wish to see their theater open at all in '98. Sadlers Wells: builders in residence. The Gate and the King's Head: grants slashed, *likely to close in April. Greenwich:* grant slashed, no longer to have a resident company. Coliseum: English National Opera effectively closed down, will move to Covent Garden on time-share basis with Royal Ballet, that's if there still is a Royal Ballet.

Any other arts problems? Museum charges likely, an overall cut in the Treasury grants of £35 million, the British Film Institute cut by another £1 million, National Heritage cut by £3 million and the British Library by £5 million. Official government forecasts now indicate that the arts will lose a further £50 million per year until at least 2001.

Given that a combination of Nero and Caligula would have been hard pressed to do more damage to the arts in Britain this year than Chris Smith and his merry butchers from the Treasury, it is some kind of miracle that we still have any theater at all, let alone one as strong in both plays and productions as this year has seen.

The invasion of new Irish plays continued to be overwhelming, but this was also the year that gave us major new work from Tom Stoppard ("The Invention of Love," a tender and brilliant account of the poet A. E. Housman at Oxford and after), David Hare ("Amy's View," about to transfer to the Aldwych, a wondrous account of the loneliness of the actor from a writer who also gives us next year a new play about Oscar Wilde, "The Judas Kiss," and a revival of his "Plenty"), and Patrick Marber ("Closer" a design for living for the late '90s, in which four people find themselves unable to live apart or together).

The fact that all three of these modern classics came out of Richard Eyre's last year at the National gives some indication of the class act that Trevor Nunn now has to follow, though with the Royal Shakespeare Company still in meltdown and most other classical companies shuttered for lack of funds, at least he doesn't have to worry too much about the competition. In the commercial West End, it has been a year of political documentaries more notable for performance than writing: Corin Redgrave and Amanda Donohoe as the Duke and Duchess of Windsor in murderous exile; Edward Fox as Harold Macmillan at the time of Profumo; Michael Gambon as Tom Driberg and Alec McCowen as Clement Attlee at Potsdam in 1945.

Given the financial climate, it is a miracle that we still have any theater at all.

Madame Tussaud herself couldn't have had a busier season, while in revivals, the performance of the year for me was John Standing as the semi-detached husband in Edward Albee's "A Delicate Balance" at the Haymarket, one he is still giving in the face of immensely tough female competition from Eileen Atkins and Maggie Smith.

Then again there were two sterling productions of "King Lear," Ian Holm in the intimacy of the National's Cottesloe stage (Eyre again) and Alan Howard in the more classical surroundings of the Old Vic, where Peter Hall had a truly wondrous year, from Felicity Kendal in "Waste" to Ben Kingsley and Howard in "Waiting for Godot." The rumors are that Bill Kenwright will take the Hall company into the Piccadilly for a residency, so all may not be lost on that front at least.

As Broadway comes back to life for the first time in a decade with half a dozen major new musicals, the life seems fast to be ebbing out of them over here. After a valiant two-year fight, Cameron Mackintosh has finally abandoned the struggle for "Martin Guerre," though I still believe its classic status will be recognized the first time anyone has the courage to revive it, and while we await one of Andrew Lloyd Webber's best and most unusual scores ("Whistle Down the Wind," due into the Aldwych at midsummer after an unhappy start in Washington last year), there has been precious little else of note. "Maddie" was "Blithe Spirit" with songs but alas without the jokes; "Always" was a dire attempt to do the Abdication in Ivor Novello style, and the first London staging of the Hart-Weill-Gershwin "Lady in the Dark" was sabotaged by a catastrophic production and some fatally misguided central casting. I fear we may never get to see that show again in a major staging, and the irony is that after 50 years it has still not been given its due on this side of the Atlantic.

From New York, whence hopefully we shall soon be getting "Titanic" and "The Life" and Paul Simon's "The Capeman" as well as Hal Prince's somewhat top-heavy "Showboat," also came the hugely overrated bandstand revival of "Chicago" and a fascinating if flawed "The Fix." Not that we can afford to be smug or critical any longer as regards our musical supremacy: A London theater that in one year managed to give us Cliff Richard as "Heathcliff," "Summer Holiday" and "The Goodbye Girl" is in no state to boast.

A GOOD year for young directors, and I haven't even the space to do more than acknowledge the greatness of Siân Phillips in a virtually solo "Marlene" and Claire Skinner in Sam Mendes's superbly filmic "Othello." Oh yes, and on the night Mendes opened a strong "Front Page," it was announced that his Donmar Warehouse would be losing its subsidy a year ahead of schedule because of a change of sponsor-management. At least 1998 can't get much worse; or can it?

BOOKS

MARSHALL McLUHAN: Escape Into Understanding

By W. Terrence Gordon. 465 pages. $35. Basic Books.

Reviewed by
Scott Rosenberg

MARSHALL McLuhan was the original media guru. He wrote voluminous, eye-opening and frequently baffling discourses on the hidden workings of media — yet, ironically, his work chiefly survives via a handful of misunderstood sound bites. Everybody knows that "the medium is the message," and everyone has a different idea of what the phrase means. Everybody has heard of "the global village," but most take it as a slogan for feel-good internationalism, when McLuhan had in mind far more specific (and disturbing) ideas about reversion to tribalism in the electronic age.

In McLuhan's own media immortalization — via a cameo in Woody Allen's "Annie Hall" — he materializes from the back of a movie line to correct a scholar's pretentious misinterpretations of his ideas. Yet even the editors of McLuhan's books had a hard time with his prose: One referred to his "often incomprehensible tidal wave of ideas."

Understanding McLuhan has, perhaps, become somewhat easier in the 17 years since death stilled the Canadian professor's scattershot volleys of verbiage; the world has begun to catch up with some of his insights. His fundamental notion, that different media radically transform the human environment, no longer raises eyebrows. The subtitle of the new McLuhan biography by W. Terrence Gordon, a linguist and former McLuhan student, is "Escape Into Understanding"; that is meant to encapsulate McLuhan's hope that he could help "immunize" his audience against the most violent and destructive effects of new media by exposing their invisible workings.

But there is another escape taking place in Gordon's book — a flight from the dense, allusive, mosaic texture of McLuhan's writing onto duller terrain. This is a dutiful "authorized" biography, and it fails to profile him in full color; it's often too busy defending him from others' brickbats.

Gordon is at his best as an informed and sympathetic explicator of McLuhan — both here and in his "McLuhan for Beginners," a lively comic-book-style primer. In "Marshall McLuhan" he traces his subject's intellectual lineage back to his studies at Cambridge with I.A. Richards and F.R. Leavis; locates his affinities with Joyce, Pound and Eliot; and explores other influences such as G.K. Chesterton and Wyndham Lewis.

His devout Catholicism notwithstanding, McLuhan chose to suspend moral judgment in his writing — he sought "the study of effects rather than the assertion of values." This caused many to think that, as he traced the decline of linear, literate culture, he was dancing on print's grave and glorifying the new popular media. Gordon effectively demolishes this misreading of McLuhan, who was always a voracious reader and who usually fell asleep at the movies. In private, he wasn't shy of thundering his disapprovals: In a letter to his son, McLuhan urged that his grandchild be kept away from TV, "a vile drug which permeates the nervous system, especially in the young."

The trouble with Gordon's book is that it never tackles the hard work of reconciling the public images of McLuhan — the clownish provocateur, the '60s prophet of electronic culture — with its own, narrower portrait of a dedicated, iconoclastic scholar. Mostly, the book ignores the public images entirely — but, in omitting them, it also leaves out any broader pictures of the era in which McLuhan's ideas were first embraced. It is, to use McLuhan's terminology, all "figure" and no "ground."

It is a fact that, somehow, this polymathic student of literature — whose dissertation on the Elizabethan writer Thomas Nashe delved into the minutiae of classical rhetoric — morphed into a celebrity chatting on the David Frost show about television as an "inner trip." The book not only fails to account for the transformation, it also acts as though there were none. Instead, it hunts down slender intellectual threads to tie together McLuhan's contrarian passions and heterodox ideas.

FOR all his internal contradictions, McLuhan refuses to fade, and he is experiencing a revival among students of the increasingly pervasive digital media. McLuhan's insistence that we step out of the media bath and see it for what it is keeps getting timelier.

McLuhan defined computers as "extensions of the human central nervous system." In a 1959 letter, years before the Internet, he predicted: "When the globe becomes a single electronic computer, with all its languages and cultures recorded on a single tribal drum, the fixed point of view of print culture becomes irrelevant and impossible, no matter how precious."

Scott Rosenberg, senior editor at the Web magazine Salon, wrote this for The Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Wks on List
1	COLD MOUNTAIN, by Charles Frazier	1	25
2	THE GHOST, by Danielle Steel	3	6
3	CAT & MOUSE, by James Patterson	2	6
4	THE LETTER, by Richard Paul Evans	5	9
5	A CERTAIN JUSTICE, by P.D. James	6	3
6	THE WINNER, by David Baldacci	10	2
7	ANOTHER CITY, NOT MY OWN, by Dominick Dunne	4	5
8	THE CHRISTMAS BOX, by Richard Paul Evans	12	26
9	WOBEGON BOY, by Garrison Keillor	9	5
10	COMANCHE MOON, by Larry McMurtry	8	7
11	VIOLIN, by Anne Rice	13	9
12	THE GOD OF SMALL THINGS, by Arundhati Roy	11	20
13	THE MATARESE COUNTDOWN, by Robert Ludlum	14	9
14	SURVIVAL OF THE FITTEST, by Jonathan Kellerman	7	5
15	LUCKY YOU, by Carl Hiaasen	15	7

NONFICTION

1	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	1	180
2	ANGELA'S ASHES, by Frank McCourt	3	67
3	THE MAN WHO LISTENS TO HORSES, by Monty Roberts	2	19
4	THE PERFECT STORM, by Sebastian Junger	6	29
5	CITIZEN SOLDIERS, by Stephen E. Ambrose	5	6
6	THE DARK SIDE OF CAMELOT, by Seymour M. Hersh	4	5
7	INTO THIN AIR, by Jon Krakauer	7	34
8	TUESDAYS WITH MORRIE, by Mitch Albom	12	10
9	DIRTY JOKES AND BEER, by Drew Carey	8	12
10	SOURCES OF STRENGTH, by Jimmy Carter	10	3
11	DIANA: Her True Story-In Her Own Words, by Andrew Morton	9	10
12	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	14	49
13	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	11	54
14	WAIT TILL NEXT YEAR, by Doris Kearns Goodwin	13	8
15	WILLIAM WEGMAN PUPPIES, by William Wegman		1

ADVICE, HOW-TO AND MISCELLANEOUS

1	JOY OF COOKING, by Irma S. Rombauer, Marion Rombauer Becker and Ethan Becker	1	5
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2	90
3	MAKING FACES, by Kevyn Aucion	3	6
4	MAKE THE CONNECTION, by Bob Greene and Oprah Winfrey	4	28

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17 Campus climber
18 Workaholic's memoir?
20 Greet the villain
21 Land of 47-Down
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23 Exaggerate
25 Soft cheese
26 Gaunt
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31 Marine —
33 Essential
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37 1982 sci-fi flick
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40 "Don't You Know" singer
41 Where Mindy honeymooned
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44 Pituitary hormone
46 In 25 words or less
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56 Tombstone brothers
57 Former S.A.G. president
58 50", say: Abbr.
59 Chew the scenery
60 Cooper role
61 Fleur-de-—

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6 Three-reeler, e.g.
7 Mideast's Gulf of —
8 Classical start
9 Military movements
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34 Inscribed pillar
36 Somewhat
39 What some folks can't tolerate
40 1984 Super Bowl champs
43 Did comparison shopping
44 Skillful
45 Pickle juice
46 Longtime SAC chief
47 "The Winding Stair" poet
48 Exuberance
49 Actor Neeson
50 70's do
51 Church part
54 Woeful

Solution to Puzzle of Dec. 30

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A	N	N	E	S	E	X	T	O	N		S	C	A	B
L	E	A	R		N	E	E	D	I		H	E	R	E
L	A	B	S		A	D	D	E	D		H	Y	D	E

Puzzle by Alfio Micci

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MEDIA MARKETS

Reed Elsevier's Clout Worries Its Customers

Academics Rebel at Publisher's High Prices

By Kenneth N. Gilpin
New York Times Service

NEW YORK — It must have been an extraordinary scene: On Dec. 1, the president of an important subsidiary of the world's biggest publisher of academic and trade journals, the purveyor of what it likes to call "must have" information, was politely but firmly told by an important client that "must have" had become "can't afford" and "don't need."

Russell White, president of Elsevier Science Inc., a division of Reed Elsevier PLC, the British-Dutch giant, told a group of professors from Purdue University that the prices of the 350 on-line publications that now supplement the company's list of 1,200 scientific journals could be locked in for three years at an annual increase of 9.5 percent.

But Purdue was unwilling and fiscally incapable of absorbing anything close to that sort of rate rise, the professors told him. Moreover, they said, the quality of what they were getting was not worth the money.

Even before Mr. White's visit, Purdue, which spends more than $1 million a year on Reed Elsevier journals, had canceled 88 of the 803 titles it once received. Among those axed: Brain Research (an annual subscription costs $14,919), Mutation Research ($7,378) and Tetrahedron With Tetrahedron: Asymmetry ($8,506).

"Reed Elsevier journals tend to be second- and third-tier publications, which range from the acceptable to the terrible," said Marc Loudon, a professor of medicinal chemistry at Purdue who attended the meeting. "None are in the top tier in chemistry, biology and biochemistry, the fields I read in. If we lose Elsevier journals in those fields, we will be O.K. 'Why do we want to buy garbage at a 9.5 percent price increase?'" he asked.

The academic world is not the only place where there is mounting concern about Reed Elsevier, which has embarked on an ambitious expansion program. Much of the worry stems from the announcement in mid-October that Reed Elsevier would merge with Wolters Kluwer NV, a rival Dutch publisher that Reed had once made an unsuccessful hostile effort to acquire.

The combination, which is being reviewed by both European and American regulators and may face similar scrutiny in New Zealand and Australia, would create the world's largest publisher of professional and trade journals, with estimated combined 1997 revenues of $8 billion and a stock-market capitalization of $30 billion.

Reed Elsevier's aggressiveness has certainly bred some resentment. The meeting at Purdue was, if not a turning point, at least a singular moment in the global publisher's relationship with one of its core markets.

It is common to have academics, particularly those involved in scientific and medical research, vie to have their work published in journals like those owned by Reed Science.

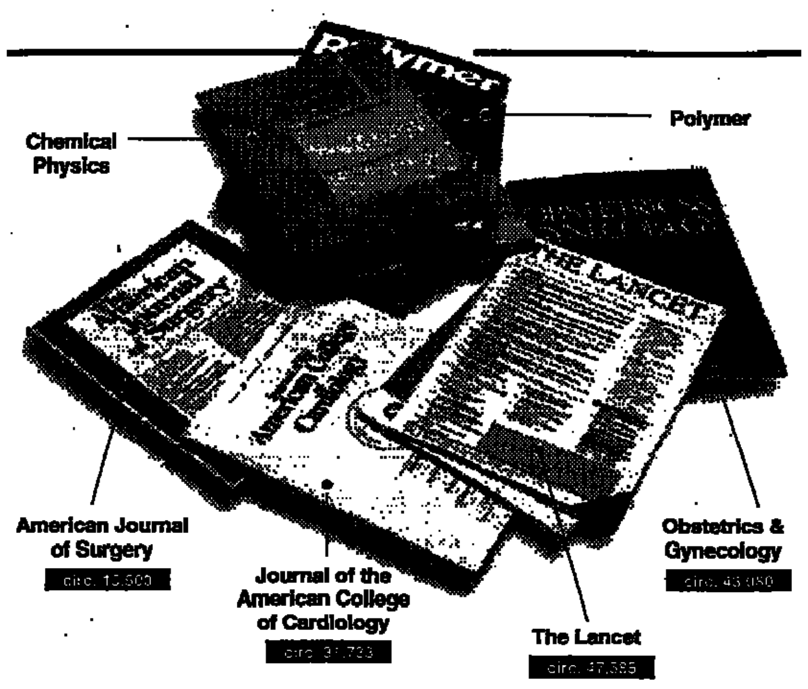
For the professors, the aim is to enhance knowledge in their fields and further their own careers in a universe where "publish or perish" has been a maxim for most of this century. The competition is so great that Reed demands, and gets, copyrights to the articles from the authors, and in most cases pays them nothing.

"There are those of us who would sell our souls," said James Perley, a biology professor at the College of Wooster in Ohio and the president of the American Association of University Professors. "Oftentimes, publication in prestigious publications wins tenure, because organizations like universities like prestige." And professors published in those journals want to be sure the journals are in the university library.

"We have some outstanding brand names with some really good articles of interest to scientists and researchers throughout the world," said Mr. White of Reed Elsevier.

The proof of his claim would seem to be in the company's track record with this market: Universities and research librar-

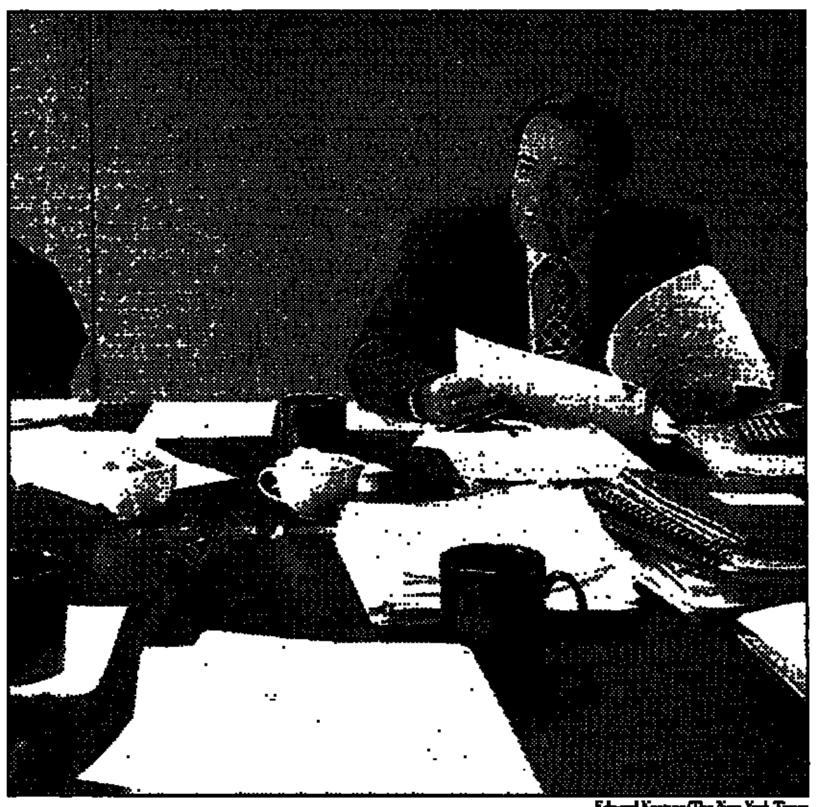
See REED, Page 15



Specialists In Their Field

Most of the research journals published by Reed Elsevier have circulations between 500 and 1,200. The four highlighted titles carry advertising, so circulation figures are publicly available.

Source: Reed Elsevier — The New York Times



Edward Keating/The New York Times

Mr. Stapleton, the company's co-chief executive, sees more acquisitions.

New Signs of Cooling In China's Economy

Growth Slips in '97 to Slowest Pace in 7 Years

BEIJING — China's economic performance in 1997 showed concrete signs of slowdown Tuesday, with the State Statistics Bureau revealing lower-than-expected growth through November and Beijing introducing tax breaks to reverse a decline in foreign investment.

Gross domestic product for the year will show an 8.8 percent increase compared with 9.7 percent in 1996, the bureau said. The 1997 rate would be the slowest since 1990, as falling investments in new factories and sluggish consumer spending offset a surge in exports.

The Ministry of Foreign Trade said late Tuesday that it would resume tax exemptions for equipment imported by joint ventures and domestic companies for their own use, starting Thursday.

Wu Yi, the minister of foreign trade and economic cooperation, said that taxes would remain on certain listed items to discourage low-technology projects, according to a report by the official Xinhua press agency.

China withdrew the tax break in April, 1996, after which foreign companies estimated their costs of setting up a business in China rose an average 28 percent. Removal of the tax exemptions are partly behind a precipitous fall in contracted foreign investment, which fell 33 percent in the first 11 months of this year.

China's economy — still one of the fastest growing in the world — will probably keep cooling next year, prompting speculation that the central bank will cut interest rates, as it has three times since May 1996.

"In the coming years, the external environment will continue to deteriorate," said Dong Tao, an economist with Schroder Securities Asia Ltd. "And it will be more difficult to raise capital through the Hong Kong market and B shares," shares of state-owned companies available to foreigners.

A spokesman for the State Statistics Bureau played down the projection of reduced growth, saying that China's growth remained healthy compared with the troubled economies of its neighbors.

"The question is how to improve efficiency," the spokesman said. "We are not aiming for high growth. We think 8 percent is sufficient."

At the start of the year, the State Statistics Bureau predicted 10 percent growth. In October, it gave assurances that the figure would be no lower than 9 percent. But performance in the third

See CHINA, Page 15

French Unemployment Slips

Compiled by Our Staff From Dispatches

PARIS — France's jobless rate last month eased to 12.4 percent, from 12.5 percent, its first decline since July and the first time the rate has been below 12.5 since September 1996, the Labor Ministry said Tuesday.

Economists said the small, steady decline in unemployment since the summer was a sign the economy was picking up steam and had begun to create jobs faster than the labor force expanded. They cautioned that future declines in unemployment would probably be slow, leaving France with a rate well above 11 percent at the end of 1999.

The pace of the decline lags other rich industrial nations because of the high cost of labor and rigid working practices in the world's fourth-biggest economy, economists said. Unlike the United States and Britain, where the jobless rates have dropped to 4.6 percent and 5.1 percent, respectively, France has struggled to create jobs even as growth accelerates.

The Labor Ministry said the number of jobless in November dropped by 9,000, or 0.3 percent, to 3,114,600. Offers for temporary and casual jobs represented half of all jobs offered in November, ministry data showed, indicating that companies were still reluctant to hire full-time permanent employees.

The news came as unemployed workers have been occupying unemployment offices since early December.

(Reuters, Bloomberg)

IBM Passes Another Cyber-Milestone

Now 10 Billion Bits of Data Can Be Stored on a Single Square Inch

By Lawrence M. Fisher
New York Times Service

NEW YORK — IBM announced Tuesday that it had broken the magnetic disk-drive storage barrier of 10 billion bits of data a square inch.

The company said the new technology would appear in products in 2001.

IBM passed the 1 billion bit level in April 1996. Like that advance, the new technology will first be used in 2.5-inch, nonremovable disk drives intended for use in portable computers. At this size, a single-platter disk drive would be able to hold 6.5 gigabytes of data, making possible ultraslim laptop computers that would nevertheless have vast storage capacity. A 3.5-inch platter would hold 12 to 13 gigabytes.

At the new density, every square inch of disk space could hold more than 725,000 double-spaced typewritten pages, or a stack taller than an 18-story building.

A gigabyte is a billion bits, equivalent to 62,500 double-spaced, typewritten pages — which would be 21 feet tall if stacked. At the new record density — actually 11.6 billion bits per square inch (1.8 billion bits per square centimeter) — every square inch of disk space could hold 1,450 average-sized novels or more than 725,000 double-spaced typewritten pages, which would make a stack taller than an 18-story building.

While in the past such advances in storage technology were driven by high-speed supercomputers and huge mainframes, in recent years it has been the ever-increasing demands of desktop and laptop computer users that have spurred the disk-drive industry on to record densities.

Downloading graphic images from the Internet or loading CD-ROM games to the hard disk for faster play uses up vast amounts of storage capacity.

"Demand for storage is essentially insatiable; it's only budgets that are finite," said Currie Munce, director of storage systems and technology at IBM's Almaden Research Center in San Jose, California. "As we get more mobile, and expect information at our fingertips, we're going to be more focused on our data, where it's stored and how we get access to it."

The computer industry is commonly said to be driven by Moore's Law: the observation by Gordon Moore, the cofounder of Intel Corp., that the number of transistors on a chip doubles every 18 months.

But it has also been driven by the hard disk-drive industry's ability to increase storage density by about 60 percent every year since 1991. This increase has come about through improvements to magnetic heads, disk surfaces and the mathematical codes that govern the drives.

"IBM's been the company that has instituted most of these gains," said Jim Porter, president of Disk Trend, a market research firm based in Mountain View, California. "The rest of the industry has been a bit behind IBM, and yet they've done quite well," he said.

He added that he expected the company to ship product in 2000, not 2001, at least six months before any competitor. "It gives IBM the opportunity to sell a product mix with a little bit better profit margins," he said.

IBM introduced the world's first disk drive in 1956, with 5 megabytes of storage at a cost of $10,000 per megabyte. Over the last six years, the average data-storage capacity of disk drives sold worldwide has increased 18-fold, while the price per megabyte of such capacity has dropped 52-fold, according to Disk Trend.

Average disk-drive capacity in 1991 was 145 megabytes; in 1997, 2.65 gigabytes. Average disk-drive cost per megabyte in 1991 was $5.23, in 1997, 10 cents.

CURRENCY & INTEREST RATES

Cross Rates

Dec. 30

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0185	3.3435	1.1271	0.3368	0.1148*	—	5.4635*	1.3887	1.5563*	1.4035	1.3315*
Brussels	36.935	61.58	20.63	6.1625	2.1808*	18.3075	—	25.5625	0.2856	25.56	24.37*
Frankfurt	1.7921	2.982	—	0.2988	0.1018*	0.8874	4.8478*	1.2225	1.3838*	1.2445	1.1814*
London (a)	1.6660	—	2.9677	9.9292	2,914.067	3.3448	61.1948	2.4088	214.9273	2.3818	251.1323
Madrid	151.702	251.203	84.655	25.304	8.623*	75.115	4.1037	104.334	117.072*	105.452	—
Milan	1,759.19	2,913.04	981.69	293.44	—	871.06	47.587	1,209.90	13.576	1,222.85	11.598
New York (b)	—	1.6660	1.7885	5.987	1,759.00	2.0157	36.92	1.4545	130.13	1.4323	151.77
Paris	5.7951	9.9275	3.3455	—	0.3408*	2.9685	0.1622	4.1232	4.6266*	4.1673	3.9526*
Tokyo	130.10	217.55	72.67	21.72	0.739	64.49	3.5219	98.79	—	90.22	0.8599
Toronto	1.4327	2.377	0.8004	0.2391	0.0815*	0.7103	0.3881*	0.985	1.1007*	—	0.946*
Zurich	1.4538	2.4855	0.8115	0.2426	0.0827*	0.7201	3.9235*	—	1.1221*	1.0113	0.9580*
1 ECU	1.1032	0.6642	1.9768	6.6135	1,940.65	2.2279	40.7806	1.604	142.946	1.587	167.326
1 SDR	1.3554	0.8124	N.Q.	8.0521	2,363.80	2.7089	49.5982	1.9609	176.34	1.9434	203.643

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.

*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	282.31	Mex. peso	8.063	S. Afr. rand	4.862
Australian $	1.5314	Hong Kong $	7.75	N. Zealand $	1.712	S. Kor. won	1437.50
Austrian sch.	12.612	Hung. forint	203.16	Norw. krone	7.3536	Swed. krona	7.8955
Brazil real	1.116	Indian rupee	39.21	Phil. peso	39.90	Taiwan $	32.69
Chinese yuan	8.31	Indo. rupiah	5350.00	Polish zloty	3.48	Thai baht	45.85
Czech koruna	34.28	Irish £	0.6935	Port. escudo	183.05	Turkish lira	204190.
Danish krone	6.8285	Israeli shek.	3.529	Russ ruble	5960.00	UAE dirham	3.6725
Egypt. pound	3.3935	Kuw dinar	0.3045	Saudi riyal	3.7506	Venez. boliv.	503.75
Fin. markka	5.4265	Malay. ring.	3.8863	Sing. $	1.666		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6558	1.6535	1.6511	Japanese yen	128.93	128.34	127.75
Canadian dollar	1.4368	1.4359	1.4349	Swiss franc	1.4500	1.4457	1.4416
Deutsche mark	1.7899	1.7868	1.7840				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 30

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 3/4	3 3/8 - 3 1/2	1 3/16 - 1 5/16	7 5/8 - 7 3/4	3 3/8 - 3 1/2	7/8 - 1	4 3/8 - 4 1/2
3-month	5 3/4 - 5 7/8	3 9/16 - 3 5/8	1 1/4 - 1 1/2	7 11/16 - 7 13/16	3 1/2 - 3 5/8	7/8 - 1	4 1/4 - 4 3/8
6-month	5 11/16 - 5 13/16	3 11/16 - 3 3/4	1 3/8 - 1 1/2	7 1/2 - 7 5/8	3 9/16 - 3 11/16	7/8 - 1	4 7/16 - 4 1/2
1-year	5 11/16 - 5 13/16	3 13/16 - 3 15/16	1 7/16 - 1 9/16	7 1/2 - 7 5/8	3 7/8 - 4	3/4 - 15/16	4 1/2 - 4 5/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 3/4	5 1/2
90-day CDs dealers	5.68	5.82
180-day CP dealers	5.58	5.58
3-month Treasury bill	5.25	5.25
1-year Treasury bill	5.26	5.24
2-year Treasury bill	5.71	5.68
5-year Treasury note	5.76	5.72
7-year Treasury note	5.78	5.73
10-year Treasury note	5.80	5.75
30-year Treasury bond	5.97	5.92
Merrill Lynch 30-day RA	5.15	5.15
Japan		
Discount rate	0.50	0.50
Call money	0.39	0.42
1-month interbank	0.95	0.95
3-month interbank	1.00	1.00
6-month interbank	1.10	1.10
10-year Govt bond	1.94	1.92
Germany		
Lombard rate	4.50	4.50
Call money	4.60	3.38
1-month interbank	3.50	3.50
3-month interbank	3.65	3.65
6-month interbank	3.77	3.77
10-year Bund	5.33	5.26

Britain		
Bank base rate	7 1/4	7 1/4
Call money	7 1/4	7 1/4
1-month interbank	7 1/2	7 1/2
3-month interbank	7 9/16	7 9/16
6-month interbank	7 5/8	7 5/8
10-year Gilt	6.25	6.20
France		
Intervention rate	3.30	3.30
Call money	3 3/8	3 3/8
1-month interbank	3 1/2	3 1/2
3-month interbank	3 5/8	3 5/8
6-month interbank	3 11/16	3 11/16
10-year OAT	5.35	5.25

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	291.00	290.25	—2.65
London	290.90	290.20	—0.85
New York	292.30	291.60	—0.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)

Source: Reuters.

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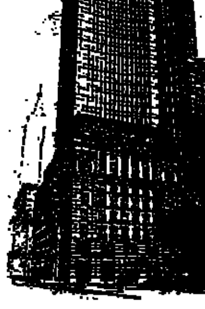

World Headquarters of Republic National Bank of New York in New York.

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Investor's America

Exchange	Index	Tuesday @4PM	Prev. Close	% Change
U.S.	The Dow	7915.97	7792.41	+1.59
U.S.	S&P 500	970.20	953.33	+1.77
U.S.	S&P 100	460.94	452.99	+1.76
U.S.	NYSE Composite	510.02	501.53	+1.69
U.S.	Nasdaq Composite	1564.53	1537.49	+1.76
U.S.	AMEX Composite	678.62	669.29	+1.39
Toronto	TSE Index	6687.50	6648.90	+0.58
São Paulo	Bovespa	10196.55	10051.67	+1.44
Mexico City	Bolsa	5205.59	5097.47	+2.12
Buenos Aires	Merval	684.02	662.71	+3.22
Santiago	IPSA General	4781.52	4693.04	+1.89
Caracas	Capital General	8504.25	8358.87	+1.74

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **Packard Bell NEC Inc.** officials denied a report that the computer maker, based in Sacramento, California, will fire 1,000 workers, Nikkei English News reported.

• **Fidelity Investments**, the big U.S. mutual fund company, plans to disclose the net assets of its individual mutual funds on a monthly basis, instead of daily, amid concern market speculators are misusing the information.

• **United Parcel Service of America Inc.** will increase domestic air express services by about 3.3 percent, while rates for standard ground commercial shipments will rise by about 3.6 percent. The rate increases for most U.S. domestic services will take effect Feb. 7.

• **ACNielsen Corp.**, the U.S. consumer research and analysis company, plans to consolidate and streamline operations, primarily in Japan.

• **Reuters Holdings PLC's** shares rose on news its stock would be admitted to the Nasdaq 100 index from Jan. 7, dealers said. Reuters shares climbed 21 pence (35 cents), or 3.5 percent, to 667 pence. *Bloomberg, Reuters*

Nike's 'Just Do It' Becomes 'I Can'

The Associated Press

PORTLAND, Oregon — "Just Do It" isn't doing it any more for Nike Inc., which is getting a new slogan on New Year's Day. The new phrase is: "I Can."

The company will continue to use the "Just Do It" slogan, but not as often, a spokeswoman for the company, Kathryn Reith, said Tuesday. The move reflects a series of changes at Nike. Sales momentum has waned, fashion trends have moved to a more traditional casual look, and professional sports has been shaken by scandal.

"At a time when cynicism in sports is at an all-time high, 'I Can' is an effort to return to a focus on the positive," said Bob Wood, vice president for product marketing.

Nike shares closed at $39.9375 on Tuesday, up $1.25.

Divvying Up the $1 Billion Nasdaq Deal

By David Barboza
New York Times Service

NEW YORK — Score one for the big guys.

A record legal settlement sparked by small investors who accused traders of fixing prices on the Nasdaq stock market may in the end create a windfall for huge, institutional investors.

When the nearly $1 billion deal is eventually parceled out, beginning in mid-1999, the biggest winners could be a host of mutual fund companies like FMR's Fidelity Investments, the Vanguard Group and American Century Investments.

Although lawyers for the large Wall Street firms tried to keep institutional investors out of the civil suit, hoping that would mean a smaller settlement, a federal judge ruled last spring that institutions had to be a part of the deal. As a result, the institutions now stand to collect, by some estimates, up to $750 million, or about three-quarters of the money.

Thirty brokerage firms, including some of the biggest and most trusted names on Wall Street, agreed to pay about $900 million to end the suit, which contended they schemed with one another for years to fix prices on Nasdaq. The settlement was reached Dec. 24.

An exact formula for disbursement has not yet been approved by Judge Robert Sweet in U.S. District Court in New York, but the fact that large institutions could swallow a sizable portion of the settlement means some smaller investors could be forced to fight for their share.

One reason institutional investors enjoy such an advantage is they have legions of lawyers to identify and process their claims. As a shareholder of one of their funds, that may sound like good news. But lawyers for the plaintiffs in the suit say there is no guarantee the money will trickle down to fund holders.

That raises a question: How much of the money set aside by Wall Street power brokers to settle accusations of Nasdaq price fixing will reach individual investors, or even holders of mutual funds that invested in Nasdaq-listed stocks?

Could a mutual fund company, for instance, simply pocket that cash, pay out a huge executive bonus or simply offer coupons or discounts on future stock trading — thereby keeping the money close to home?

Fidelity and other big mutual fund companies, who have long been among the heaviest traders of Nasdaq stocks, say it is premature to say what they will do if and when they claim a share of the money.

But there seems to be little doubt that they will be eligible for the largest portion of the settlement.

"Certainly institutions make up the bulk of the trading on Nasdaq," said William Christie, a professor of finance at Vanderbilt University whose study of Nasdaq pricing published in 1994 led to the lawsuit, settled a week ago. "But this is going to be a nightmare, trying to figure out who gets what."

While small retail investors — such as individuals — accounted for about three-quarters of all trading volume on the Nasdaq stock market in the early 1990s, Mr. Christie said that institutional investors made up about three quarters of the dollar volume. "That means that if they use a dollar volume method, about $750 million would go to institutions," he said.

But after winning what they called the biggest price-fixing settlement in history, lawyers for the plaintiffs insisted that the disbursements would be fair, and that anyone who suffered would be justly reimbursed.

"It'll be gobbled up in the proportion it was taken," said Robert Skirnick, an attorney for the plaintiffs, which includes thousands of individual and institutional investors. "If they only took $12.50 from an individual and $125,000 from an institution, it would only be fair that they be reimbursed that way."

But Christopher Lovell, another attorney for the plaintiffs, said it would be up to institutional investors that file their own claims to decide how to distribute that money among their fund holders.

"We will distribute the money to the entity that submits its claim," he said. "Then they will have the fiduciary duty to determine how to distribute it further."

One problem is that lawyers for the plaintiffs suspect individual investors suffered disproportionately in the price-fixing because, unlike institutions, they could not negotiate for a better price. As a result, smaller investors almost always paid "full freight," one lawyer said.

Few doubt that the process will be difficult, even though the 36 Wall Street firms that have settled said their computerized records "identify the vast majority" of the plaintiffs in the class-action suit.

Lawyers for the plaintiffs said there could be more than a million people and institutions with claims; just tracking down the names and addresses could prove torturous. "What we're going to try to do is use those computerized records to make distribution easier," Mr. Skirnick said.

IBM to Shun Computer-Industry Trade Show

By Mark Leibovich
Washington Post Service

WASHINGTON — After nearly two decades together, two of the computer industry's signature institutions are getting a less-than-amicable Las Vegas divorce.

International Business Machines Corp. has confirmed that, starting in 1998, it will no longer exhibit on the floor of the autumn Comdex gathering, the computer industry's trade show of record.

Citing the show's "noisy and hectic environment" and a diminished opportunity to "reach industry decision-makers," John Bukovinsky, an IBM spokesman, said the company would direct its trade-show resources elsewhere.

But Comdex officials say IBM's decision had more to do with its embarrassment after the computer giant lost an opportunity for prime exhibition space to an industry rival.

Insiders describe Comdex as an extravaganza they can't miss but can't stand. The show is characterized by big crowds and tripled hotel costs. Yet it also is the heavyweight of computer trade shows, a showcase for the hottest technologies.

Several other Comdex conventions are held each year around the world, including a spring Comdex in Chicago, but none is as big as the November show, which draws more than 200,000 people to Las Vegas.

IBM is the most visible defector from the show, but other major players are scaling back their presences in Las Vegas, too. Intel Corp. will rent about half as much space next year as it did this year, when it had about 12,000 square feet (1,080 square meters), Robert Singer, Intel's director of corporate events, said.

Dollar Rises on Banks' Plan for South Korea

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was mostly higher on Tuesday as concerns about South Korea's fragile economic health abated after bankers agreed on an aid package.

At 4 P.M. the dollar was at 130.130 yen, up from 129.310 yen Monday. It slipped to 1.7885 Deutsche marks from 1.7895 DM but rose to 1.4545 Swiss francs from 1.4493 francs. The pound was at $1.6560, down from $1.6718. The dollar was also quoted at 5.9870 French francs, down from 5.9885 francs.

The U.S. currency climbed as international lenders said they would give South Korea more time to pay off its debts, calming concern that

FOREIGN EXCHANGE

the country's financial system might be on the verge of failure. U.S. stocks rose amid hopes that South Korea's problems would not further weaken Asian economies and spill over to the United States.

"This is a huge shot in the arm" for the Asian region, said Robert Sabia, a currency trader at ING Baring Capital Markets in New York.

Earlier in London, the dollar slipped against the yen as the Japanese currency was bolstered by Western banks' contribution to the financial support package planned for South Korea, dealers said.

But the dollar rose against the pound, which was pulled down by comments by the governor of the Bank of England, Eddie George, that British growth had reached an untenable level and would have to slow. *(AFP, Bloomberg)*

Stocks Rally As Debt Pact Allays Fears About Asia

Compiled by Our Staff From Dispatches

NEW YORK — Stocks extended their post-holiday rally Tuesday, with investors applauding more signs of progress toward easing the Asian fiscal crisis.

The Dow Jones industrial average closed at 7,915.97, up 123.56 points or almost 1.6 percent, adding to Monday's 113-point gain and pushing this year's gain toward 22 percent.

Broader-market indicators also finished higher. The Standard & Poor's 500-stock index closed at 970.84, up 17.48 points or 1.8 percent. The Nasdaq composite index closed at 1,565.03, up 27.58 points or almost 1.8 percent.

Advancing issues outnumbered decliners by more than a 2-to-1 ratio

U.S. STOCKS

on the New York Stock Exchange, where volume was more than 470 million shares, up from Monday's sluggish pace.

Investor sentiment was bolstered by news that a dozen international financial institutions from the United States, Japan and Europe said they would look for ways to help South Korea through its credit crunch.

The Dow's strongest risers were Walt Disney and United Technologies. Among leading Nasdaq technology issues, Microsoft and Dell Computer were higher. Shares of Platinum Technology were up following news that the company had entered into an alliance with computer chip giant Intel Corp.

Leading retailers rose in response to a report showing that consumer confidence had risen sharply, and to Dayton-Hudson's announcement that holiday sales at its Target division were well above plan. Dayton, J. C. Penney and Wal-Mart were up.

But in the inflation-sensitive bond market, long-term interest rates rose after the consumer confidence report was taken as a sign of possible inflationary pressures in the economy.

The benchmark 30-year Treasury bond fell 19/32, or $5.938 on a $1,000 bond, pushing the yield, which moves inversely to the price, up to 5.97 percent from 5.92. *(AP, Bloomberg, Reuters)*

AMEX

Tuesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7831.27	7922.94	7791.41	7915.97	+123.56
Trans	3123.55	3221.10	3115.96	3216.22	+100.36
Util	270.72	272.01	270.03	272.01	+2.00
Comp	2557.82	2598.36	2547.88	2597.30	+49.26

Standard & Poors

	Previous High	Low	Close	Today 4 P.M.
Industrials	1103.68	1084.17	1084.36	1122.14
Transp.	673.66	664.85	664.97	679.56
Utilities	232.58	229.98	231.73	235.25
Finance	116.82	115.01	115.04	118.14
SP 500	954.51	938.91	939.13	970.01
SP 100	454.15	445.08	445.26	460.85

NYSE

	High	Low	Last	Chg.
Composite	510.28	501.49	510.28	+8.79
Industrials	629.34	617.46	629.34	+11.68
Transp.	460.43	449.00	460.42	+11.42
Utility	336.16	332.46	336.15	+3.49
Finance	494.10	486.39	494.10	+7.71

Nasdaq

	High	Low	Last	Chg.
Composite	1565.03	1539.55	1565.03	+27.58
Industrials	1208.34	1187.41	1208.34	+21.79
Banks	2074.35	2047.28	2073.81	+30.90
Insurance	1803.76	1781.06	1803.62	+21.41
Finance	2485.37	2447.19	2485.37	+38.32
Transp.	1051.84	1025.09	1051.84	+26.12

AMEX

High	Low	Last	Chg.
679.06	669.25	678.91	+9.62

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	105.13	105.05
10 Utilities	102.84	102.66
10 Industrials	107.42	107.44

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	74418	56¾	54⅛	54⅞	-⅞
EMC s	49885	27	26	26¾	+1¼
Republnd	46710	21⅛	19⅞	20⅝	+⅝
FstData	45045	30⅜	27½	30¼	+3⅝
PhilMor s	40798	45⅝	44¾	45⅝	+½
PepsiCo	38020	36⅞	35⅞	36⅝	+1⅝
AT&T	35420	64	62½	62⅞	-⅞
Seagate	35386	19⅛	19	19⅛	-⅛
Cabltrn	34470	14⅞	13⅞	14⅞	+⅞
IBM s	34097	105½	102⅝	103⅝	+⅞
GenElec s	32362	74¼	73¼	74¼	+1⅝
Cendant	31032	33¾	32½	33⅝	+1¼
MercFn	30388	⅝	½	⅝	—
Texind s	29411	45⅝	43⅞	44¾	-⅞
Schlmb s	27464	78¾	75⅞	78¾	+3½

Nasdaq

	Vol.	High	Low	Last	Chg.
VideoLan	106680	½	⅛	⅛	-½
Intel s	102344	72¼	71⅛	71⅝	+⅝
Microsft	97046	131	126¼	130¼	+3⅞
DellCpt s	87217	87⅛	82½	85⅞	+2⅝
Cisco s	77907	56⅞	55⅞	56½	+¾
Oracle s	73234	22¼	21¼	22½	+⅝
Ascend	71779	24⅝	23¾	24	+¾
ApldMat s	65957	30½	29⅞	30⅜	+⅜
OxfordHlt	61743	15½	14½	15½	+1⅛
Informx	60820	4⅛	4	4⅛	—
3Com	60358	35⅞	34⅞	35⅝	+1⅞
Novell	57764	7⅝	7	7⅝	+⅝
PlatTc	42935	28⅝	25½	28⅝	+4⅞
SunMic	37982	41¼	39⅜	40⅜	+⅜
Quantum s	37395	20⅞	19⅝	20⅛	+¾

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	34221	97⅛	95⅞	97⅛	+1½
ViacB	16039	42¾	40⅞	42	+1⅝
IvaxCp	14831	7⅛	6⅞	6⅞	-⅛
JTS Corp	12679	¼	⅛	⅛	+⅛
Nabors	12175	30⅞	30	30⅞	+1
TWA	12053	10⅝	9⅞	10¼	+⅜
EchoBay	11647	2⅜	2¼	2⅞	+¼
GreyWolf	11150	5½	5⅛	5¼	-⅛
FAusPr	9666	7⅛	7⅛	7⅛	+⅛
PegGld	8842	⅜	⅛	⅜	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	2210	2142
Declined	852	844
Unchanged	452	467
Total issues	3464	3473
New Highs	240	174
New Lows	40	72

Nasdaq

	Noon	Prev.
Advanced	2194	2271
Declined	1708	2080
Unchanged	1764	1384
Total issues	5666	5735
New Highs	151	157
New Lows	175	274

AMEX

	Close	Prev.
Advanced	387	303
Declined	205	303
Unchanged	183	160
Total issues	775	766
New Highs	29	22
New Lows	26	32

Market Sales

	Today 4:00	Prev. cons.
NYSE	480.97	568.12
Amex	29.77	38.00
Nasdaq	644.38	645.09

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
CA Water 2 for 1 split.				
Fst Bncshrs Inc 2 for 1 split.				
Nthn Telecom 2 for 1 split.				
REVERSE STOCK SPLIT				
Contl Health 1 for 3 reverse split				
INCREASED				
Ntl City Corp	Q	.46	1-9	2-1
REGULAR				
Adobe Systems	Q	.05	1-2	1-16
CB Bncshrs	Q	.05	1-7	1-21
Dreyfus CA Muni	M	.05	1-13	1-28
Dreyfus Muni Inco	M	.054	1-13	1-28
Dreyfus N	M	.05	1-13	1-28
Dreyfs Strat Gov	M	.0625	1-13	1-28
Dreyfs StratMn Bd	M	.055	1-13	1-28
Dreyfs StrtMn Inco	M	.057	1-13	1-28
Fst Mutl Bancorp	Q	.08	1-9	1-16
Morgan Group Inc	Q	.02	1-5	1-19
Pizza Inn	Q	.06	1-9	1-23
SEMCO Energy	Q	.20	2-5	2-15
Stewart Enterpr	Q	.02	1-16	1-30

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Dec. 30, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Mar 98	268	266	266¼	-½	169,295
May 98	275½	273¼	273¾	-1	49,423
Jul 98	281¼	278¾	279¼	-¾	59,090
Sep 98	280¾	279¼	279½	-1¼	6,875
Dec 98	284½	282¾	283¼	-1¼	34,250
Jul 99	296	295	296	-1¾	395
Dec 99	277	277	277	-1½	673

Est. sales 30,000 Mon's sales 30,148
Mon's open int 322,022, up 1,030

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Jan 98	207.40	205.40	207.20	+1.00	17,217
Mar 98	204.70	202.70	204.50	+1.10	39,327
May 98	203.50	202.00	203.20	+0.50	24,128
Jul 98	205.20	203.30	204.10	-0.40	16,068
Aug 98	205.80	204.00	204.60	-0.40	4,979
Sep 98	206.00	204.00	204.80	unch.	3,738

Est. sales 15,000 Mon's sales 22,548
Mon's open int 109,818, up 53

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Jan 98	25.23	25.01	25.09	unch.	10,791
Mar 98	25.64	25.45	25.49	-0.06	51,967
May 98	25.90	25.75	25.79	-0.05	17,018
Jul 98	26.05	25.84	25.90	-0.03	12,106
Aug 98	25.90	25.75	25.80	-0.05	3,822
Sep 98	25.75	25.65	25.65	+0.05	1,359

Est. sales 20,000 Mon's sales 27,603
Mon's open int 99,379, up 14

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jan 98	684	679½	681¼	+½	22,286
Mar 98	687	682½	685¾	+2¼	51,188
May 98	693	689	691½	+3	26,571
Jul 98	698	693½	697½	+4	26,096
Aug 98	696	694½	694½	+2¼	4,217

Est. sales 38,000 Mon's sales 45,440
Mon's open int 141,098, off 2,039

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Mar 98	333¼	327½	327¼	-6	55,988
May 98	341	335	335¾	-6¼	12,332
Jul 98	346½	341½	341¾	-6¼	20,106
Sep 98	352	349	350	-3½	777

Est. sales 12,000 Mon's sales 8,996
Mon's open int 92,090, up 333

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	66.85	66.22	66.35	-0.20	49,578
Apr 98	69.00	68.40	68.55	-0.32	27,410
Jun 98	68.55	68.07	68.17	-0.30	15,691
Aug 98	69.10	68.67	68.80	-0.15	6,450
Oct 98	71.95	71.62	71.67	-0.22	1,838
Dec 98	72.80	72.75	72.80	+0.05	338

Est. sales 10,969 Mon's sales 11,059
Mon's open int 191,395, up 89,858

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 98	76.20	75.55	75.85	-0.32	7,168
Mar 98	76.55	73.45	75.87	-0.57	4,853
Apr 98	77.07	76.20	76.52	-0.30	2,204
May 98	78.05	77.45	77.55	-0.45	1,849
Aug 98	80.10	79.52	79.72	-0.30	938
Sep 98	80.00	79.60	79.60	-0.35	199

Est. sales 3,527 Mon's sales 3,374
Mon's open int 17,412, up 222

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	58.00	57.65	57.85	-0.40	21,571
Apr 98	57.05	56.50	56.52	-0.65	7,884
Jun 98	64.50	63.95	64.07	-0.47	5,996
Jul 98	63.60	63.20	63.20	-0.50	1,766
Aug 98	61.22	60.80	61.22	-0.07	359

Est. sales 6,776 Mon's sales 6,571
Mon's open int 38,447, up 985

PORK BELLIES (CMER) 40,000 lbs - cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	52.90	51.73	51.95	-1.80	5,518
Mar 98	52.80	51.55	51.57	-1.65	1,389
May 98	52.80	52.00	52.60	-1.20	1,083

Est. sales 2,225 Mon's sales 1,263
Mon's open int 8,759, off 148

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Mar 98	1648	1619	1641	+16	41,026
May 98	1671	1652	1671	+13	20,936
Jul 98	1696	1680	1696	+13	3,230
Sep 98	1720	1710	1720	+12	5,817
Dec 98	1749	1736	1749	+12	9,115
Mar 99	1773	1750	1773	+13	8,549

Est. sales 2,730 Mon's sales 1,601
Mon's open int 93,858, off 1,442

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	165.75	163.00	164.80	+1.55	16,525
May 98	160.50	158.50	159.50	+1.35	5,599
Jul 98	154.35	153.00	153.45	+1.60	2,777
Sep 98	148.60	147.50	147.75	+2.25	1,341
Dec 98	143.00	142.75	142.75	+2.25	1,214

Est. sales N.A. Mon's sales 3,865
Mon's open int 27,779, up 476

SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	12.36	12.29	12.30	-0.06	97,366
May 98	12.11	12.06	12.07	-0.04	32,668
Jul 98	11.71	11.66	11.66	-0.04	30,318
Oct 98	11.60	11.58	11.59	-0.02	26,645

Est. sales 7,203 Mon's sales 11,272
Mon's open int 197,004, off 334

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 98	85.00	81.00	82.10	-3.55	5,939
Mar 98	88.75	84.50	85.85	-3.55	26,533
May 98	92.00	88.10	89.40	-3.30	5,665
Jul 98	95.40	90.90	92.60	-3.30	3,867

Est. sales N.A. Mon's sales 6,547
Mon's open int 46,209, up 239

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jan 98			290.90	-0.90	2
Feb 98	292.60	290.40	291.60	-0.90	89,796
Apr 98	293.90	292.00	292.30	-0.90	12,770
Jun 98	295.50	294.00	295.30	-0.90	11,541
Aug 98	297.70	297.00	297.30	-0.90	5,486
Oct 98			299.40	-0.90	2,662
Dec 98	302.00	300.50	301.50	-0.90	13,649
Feb 99			303.60	-0.90	3,929
Apr 99			305.60	-0.90	5,204

Est. sales 22,000 Mon's sales 31,837
Mon's open int 177,563, off 2,713

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 98	77.45	76.70	77.05	+0.55	3,924
Feb 98	78.20	77.50	77.80	+0.65	2,372
Mar 98	78.70	77.60	78.50	+0.80	35,422
Apr 98	79.20	78.70	79.10	+0.90	1,626
May 98	79.60	78.70	79.45	+0.75	5,314
Jun 98	80.10	80.00	80.00	+0.80	1,639
Jul 98	80.50	80.00	80.35	+0.80	4,132
Aug 98	80.85	80.75	80.85	+0.95	1,260
Sep 98	81.20	80.80	81.20	+0.80	3,528

Est. sales 7,000 Mon's sales 7,590
Mon's open int 71,588, up 562

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Jan 98	618.00	612.00	613.00	-16.00	8
Feb 98			616.50	-15.00	
Mar 98	633.00	612.00	618.50	-14.50	69,968
May 98	628.00	613.00	619.50	-14.00	7,378
Jul 98	627.00	614.80	620.00	-13.50	7,378
Sep 98	620.00	615.00	620.00	-13.50	1,516
Dec 98	621.50	614.00	619.50	-13.00	7,264
Jan 99	628.00	619.40	619.40	-13.00	10

Est. sales 11,500 Mon's sales 10,255
Mon's open int 99,686, up 858

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jan 98	369.00	362.00	367.00	+1.50	1,539
Apr 98	362.80	359.50	363.00	+2.00	9,426
Jul 98	361.50	360.50	361.50	+2.00	313
Oct 98			361.50	+2.00	13
Jan 99	364.00	362.50	362.50	+2.00	6

Est. sales N.A. Mon's sales 7,361
Mon's open int 11,297, off 1,994

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1523	1524½	1493.0	1494.0
Forward	1546.00	1547.00	1522.00	1523.00
Copper Cathodes (High Grade)				
Spot	1712.00	1713.00	1796.00	1797.00
Forward	1740.00	1741.00	1726.00	1727.00
Lead				
Spot	546.00	547.00	527½	529½
Forward	554.00	555.00	534.00	536.00
Nickel				
Spot	5985.00	5990.00	5875.00	5885.00
Forward	6075.00	6080.00	5975.00	5980.00
Tin				
Spot	5415.00	5425.00	5330.00	5340.00
Forward	5440.00	5445.00	5355.00	5360.00
Zinc (Special High Grade)				
Spot	1099½	1100½	1086.00	1087.00
Forward	1121.00	1122.00	1109.00	1110.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 98	94.94	94.92	94.94	unch.	8,318
Jun 98	94.90	94.87	94.98	unch.	1,280
Sep 98			94.89	unch.	23

Est. sales 987 Mon's sales 634
Mon's open int 9,621, up 215

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Mar 98	108-36	108-14	108-25	-11	236,687
Jun 98			108-25	-11	156

Est. sales 26,000 Mon's sales 15,581
Mon's open int 243,879, off 2,361

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 98	112-05	111-16	111-27	-10	364,471
Jun 98	112-01	111-20	111-26	-10	2,032
Sep 98			111-26	-10	270

Est. sales 70,007 Mon's sales 25,341
Mon's open int 367,491, off 962

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Mar 98	120-17	119-17	119-28	-21	688,010
Jun 98	120-04	119-10	119-18	-21	31,479
Sep 98	119-10	119-07	119-10	-21	5,946
Dec 98			119-02	-21	3,563

Est. sales 215,000 Mon's sales 89,344
Mon's open int 755,502, off 3,482

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 98	121-29	120-22	120-26	-1-06	179,311
Jun 98	N.T.	N.T.	105-04	-1-06	1,098

Est. sales: 23,636. Prev. sales: 7,219
Prev. open int.: 182,698 off 493

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 98	104.89	103.94	104.00	-0.88	235,393
Jun 98	103.80	103.80	103.41	-0.88	1,144

Est. sales: 75,810. Prev. sales: 17,123
Prev. open int.: 236,537 off 3,912

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	101.48	100.76	100.78	-0.72	130,637
Jun 98	100.86	100.28	100.10	-0.80	125
Sep 98	100.62	100.62	99.86	-0.80	0

Est. sales: 68,100.
Open int.: 130,762 off 2,937.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	116.27	115.35	115.43	-0.92	118,576
Jun 98	N.T.	N.T.	114.83	-0.92	146
Sep 98	N.T.	N.T.	114.83	-0.92	0

Est. sales: 22,925. Prev. sales: 7,601
Prev. open int.: 118,722 off 873

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jan 98	94.30	94.29	94.29	unch.	20,531
Feb 98	94.29	94.28	94.28	unch.	13,018
Mar 98	94.24	94.21	94.22	-0.02	3,084

Est. sales 3,656 Mon's sales 2,131
Mon's open int 38,974, off 445

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Feb 98	94.21	94.18	94.20	-0.01	7,021
Mar 98	94.21	94.14	94.19	-0.02	488,653
Jun 98	94.19	94.13	94.15	-0.03	392,523
Sep 98	94.15	94.08	94.10	-0.04	263,711
Dec 98	94.05	94.00	94.02	-0.03	226,264
Mar 99	94.05	94.00	94.02	-0.03	163,908
Jun 99	94.03	93.96	93.99	-0.03	137,359
Sep 99	93.98	93.94	93.96	-0.03	104,018
Dec 99	93.91	93.88	93.90	-0.03	104,939
Mar 00	93.94	93.90	93.92	-0.03	76,398
Jun 00	93.92	93.88	93.90	-0.03	64,881
Sep 00	93.90	93.86	93.88	-0.03	54,634

Est. sales 181,313 Mon's sales 104,940
Mon's open int 2,527,446, up 10,408

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Mar 98	1.6668	1.6468	1.6494	-.0158	31,494
Jun 98	1.6450	1.6390	1.6428	-.0158	1,317
Sep 98			1.6362	-.0158	4

Est. sales 8,935 Mon's sales 7,252
Mon's open int 32,815, up 558

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Mar 98	.7006	.6954	.6994	+0.0034	60,201
Jun 98	.7018	.6974	.7006	+0.0035	3,735
Sep 98	.7025	.6980	.7015	+0.0036	987

Est. sales 9,454 Mon's sales 4,126
Mon's open int 65,538, up 351

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Mar 98	.5619	.5593	.5612	unch.	72,906
Jun 98	.5640	.5623	.5640	unch.	3,198
Sep 98			.5667	+0.0002	1,640

Est. sales 11,272 Mon's sales 31,581
Mon's open int 77,748, up 7,273

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Mar 98	.7822	.7759	.7765	-0.0046	87,857
Jun 98	.7901	.7869	.7872	-0.0046	1,673
Sep 98			.7978	-0.0046	212

Est. sales 10,627 Mon's sales 12,090
Mon's open int 89,747, up 2,027

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Mar 98	.6971	.6917	.6933	-0.0033	39,539
Jun 98	.7010	.6990	.7003	-0.0033	863
Sep 98			.7074	-0.0034	1,102

Est. sales 7,917 Mon's sales 15,573
Mon's open int 41,509, up 4,480

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Mar 98	.12070	.12030	.12050	+.00121	16,677
Jun 98	.11675	.11665	.11667	+.00142	3,524
Sep 98	.11320	.11310	.11320	+.00142	4,807

Est. sales 1,077 Mon's sales 2,129
Mon's open int 25,539, up 299

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	92.44	92.39	92.39	-0.06	141,217
Jun 98	92.55	92.49	92.49	-0.08	110,454
Sep 98	92.69	92.61	92.62	-0.08	82,205
Dec 98	92.87	92.80	92.81	-0.07	78,390
Mar 99	93.10	93.02	93.02	-0.09	66,104
Jun 99	93.29	93.23	93.22	-0.08	63,876
Sep 99	93.42	93.35	93.36	-0.08	43,714

Est. sales: 27,123. Prev. sales: 16,873
Prev. open int.: 695,063 up 2,818

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jan 98	96.33	96.31	96.32	-0.01	17,432
Feb 98	N.T.	N.T.	96.28	-0.01	750
Mar 98	96.23	96.16	96.18	-0.04	370,336
Jun 98	96.09	96.02	96.03	-0.07	333,428
Sep 98	95.97	95.89	95.91	-0.08	242,821
Dec 98	95.79	95.70	95.71	-0.09	205,182
Mar 99	95.60	95.52	95.54	-0.08	240,166
Jun 99	95.43	95.35	95.36	-0.08	
Sep 99	95.24	95.20	95.21	-0.08	86,680
Dec 99	95.15	95.07	95.09	-0.07	71,364

Est. sales: 78,926. Prev. sales: 33,157
Prev. open int.: 1,783,849 off 1,039

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jan 98	96.33	96.33	96.33	Unch.	1,425
Feb 98	0.00	0.00	96.36	Unch.	5
Mar 98	96.22	96.16	96.16	-0.07	80,956
Jun 98	96.09	96.02	96.02	-0.08	42,668
Sep 98	95.99	95.91	95.91	-0.09	30,741

Est. sales: 22,485.
Open int.: 260,854 up 488.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	94.66	94.62	94.62	-0.05	152,836
Jun 98	95.35	95.27	95.28	-0.08	128,464
Sep 98	95.62	95.53	95.53	-0.10	92,951
Dec 98	95.60	95.50	95.52	-0.11	66,513
Mar 99	95.50	95.42	95.43	-0.09	89,943
Jun 99	95.31	95.29	95.28	-0.07	20,531
Sep 99	N.T.	N.T.	95.12	-0.08	7,545
Dec 99	95.02	95.02	95.01	-0.08	847

Est. sales: 30,045. Prev. sales: 14,553
Prev. open int.: 561,630 up 1,793

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	67.20	66.86	67.15	+0.13	44,275
May 98	68.50	68.20	68.40	+0.09	14,924
Jul 98	69.85	69.45	69.78	+0.03	14,809
Oct 98	71.83	71.50	71.83	+0.18	1,356
Dec 98	72.60	72.50	72.50	-0.13	13,527

Est. sales N.A. Mon's sales 8,358
Mon's open int 89,804, up 2,907

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jan 98	49.85	49.00	49.46	+0.37	17,778
Feb 98	50.30	49.45	49.90	+0.32	53,255
Mar 98	50.45	49.85	50.10	+0.22	21,039
Apr 98	50.35	49.90	50.05	+0.17	12,824
May 98	50.35	49.85	49.95	+0.17	9,043
Jun 98	50.40	49.90	49.90	+0.17	11,494
Jul 98	50.75	50.10	50.25	+0.17	5,182

Est. sales N.A. Mon's sales 53,140
Mon's open int 150,178, up 3,763

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Feb 98	17.77	17.50	17.61	-0.01	119,335
Mar 98	17.97	17.70	17.82	unch.	49,063
Apr 98	18.11	17.98	18.00	-0.01	28,013
May 98	18.29	18.15	18.20	+0.02	21,568
Jun 98	18.45	18.32	18.40	+0.09	33,987
Jul 98	18.51	18.43	18.42	+0.02	19,130

Est. sales N.A. Mon's sales 76,826
Mon's open int 407,643, up 5,725

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Feb 98	2.280	2.190	2.235	-0.045	42,227
Mar 98	2.240	2.170	2.203	-0.037	25,472
Apr 98	2.190	2.125	2.155	-0.035	12,504
May 98	2.190	2.135	2.150	-0.020	9,619
Jun 98	2.200	2.130	2.170	-0.015	9,283
Jul 98	2.200	2.135	2.175	-0.005	9,948

Est. sales N.A. Mon's sales 70,634
Mon's open int 183,588, off 30,933

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jan 98	54.35	53.35	53.49	-0.43	9,524
Feb 98	54.80	53.70	53.96	-0.30	35,451
Mar 98	55.50	54.35	54.56	-0.24	12,466
Apr 98	57.90	57.05	57.16	-0.24	13,078
May 98	57.40	57.11	57.11	-0.19	10,144
Jun 98	56.95	56.66	56.66	-0.14	8,043
Jul 98	56.40	56.06	56.06	-0.09	6,582
Aug 98	55.85	55.26	55.26	-0.04	3,365

Est. sales N.A. Mon's sales 36,393
Mon's open int 103,567, off 830

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Jan 98	152.25	150.75	151.00	-1.50	24,414
Feb 98	153.75	152.25	152.50	-1.75	17,589
Mar 98	154.75	153.75	154.00	-1.25	11,147
Apr 98	156.0	155.25	155.25	-1.00	5,510
May 98	157.00	156.50	156.25	-0.50	3,091
Jun 98	157.25	156.25	156.25	Unch.	11,531
Jul 98	158.75	158.50	158.50	Unch.	2,636

Est. sales: 14,700. Prev. sales: 15,966
Prev. open int.: 90,082 off 297

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Feb 98	16.80	16.56	16.67	+0.08	72,141
Mar 98	16.90	16.74	16.81	+0.03	42,281
Apr 98	17.02	16.85	16.92	+0.05	17,863
May 98	17.08	17.00	17.03	+0.07	12,098
Jun 98	17.20	17.08	17.12	+0.08	17,197
Jul 98	17.21	17.14	17.20	+0.06	6,422

Est. sales: 30,000. Prev. sales: 42,398
Prev. open int.: 187,345 up 2,191

Stock Indexes

SP COMP INDEX (CMER) 250 x index

	High	Low	Latest	Chge	Opint
Mar 98	980.50	965.50	979.40	+13.60	358,785
Jun 98	988.90	977.10	988.90	+13.00	8,535
Sep 98			985.80	unch.	2,663

Est. sales N.A. Mon's sales 61,099
Mon's open int 371,366, up 5,943

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Mar 98	5200.0	5157.0	5192.0	+41.0	57,801

Est. sales: 3,970. Prev. sales: 2,910
Prev. open int.: 57,801 up 564

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Dec 97	2982.0	2950.0	2977.0	+29.0	16,339
Jan 98	2989.0	2956.0	2982.0	+27.5	37,325
Feb 98	2984.0	2984.0	2989.5	+27.5	1,820
Mar 98	3000.5	2975.0	3000.0	+29.5	18,008

Est. sales: 37,222.
Open int.: 92,618 up 3,795.

Commodity Indexes

	Close	Previous
Moody's	1,480.87	1,473.20
Reuters	1,750.30	1,748.90
D.J. Futures	141.89	142.34
CRB	230.54	231.97

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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EUROPE

Wal-Mart Tackles Germany, Where Others Failed

Bloomberg News

FRANKFURT — Wal-Mart Stores Inc. is betting that superior computer technology and the ability to secure volume discounts from suppliers will help it succeed in Germany where others have failed.

The world's largest retailer said this month that it would buy Wertkauf, the German warehouse chain, for an undisclosed sum as part of the company's plans to expand internationally.

Though the purchase gives Wal-Mart, based in Bentonville, Arkansas, an immediate foothold in Europe's largest economy, it's hardly an ideal time for the retailer to be entering the German market, analysts said.

German retail sales have fallen for four of the last five years, with no recovery expected in 1998, a slump that has helped force at least one other foreign retailer, Promodes SA of France, to withdraw from the market.

"The German retail market has considerable problems and Wal-Mart won't be exempt," said Joerg Christians, an analyst for HSBC Trinkaus in Dusseldorf.

"The framework is clearly different than in the U.S.," he said, "and Wal-Mart shouldn't underestimate that."

Dale Ingram, a Wal-Mart spokesman, concedes that the company, which operates more than 2,770 stores in eight countries, "still has a lot to learn" about the German market.

But he said it was betting it could sidestep some of the problems that have plagued its counterparts.

Because Wertkauf, like Wal-Mart, sells everything from food to clothing to auto parts, Wal-Mart will be able to get better prices from suppliers, Mr. Ingram said.

The U.S. company also sees opportunities to reduce inventory and distribution costs at Wertkauf by introducing more efficient computer systems, he said.

"Those who have gone before us and have left the market are opportunities for us to learn," Mr. Ingram said. "We've entered this with a long-term view."

Wertkauf, which operates 21 stores in southwestern and central Germany, is also profitable, said Klaus Mueller, a spokesman, though he would not give an exact figure.

The company had annual sales of $1.4 billion in 1996, according to a British consulting company, Corporate Intelligence on Retailing.

But because Wal-Mart will need to tailor Wertkauf's inventory to the needs of the German market, it may be more difficult to achieve purchasing economies of scale. That will make it more difficult for the company to offer the low prices in Germany that have helped lure customers to its U.S. stores, analysts said.

"They are likely to encounter many of the same problems that Promodes did in that there is not a wide acceptance for many foreign products," said Mr. Christians of HSBC Trinkaus.

Promodes acquired the Continent chain in 1990, aiming to take advantage of German reunification and ended up selling the unprofitable enterprise to Spar Handels AG last year.

German customers also have less opportunity to shop than their U.S. counterparts. Shopping hours are tightly regulated in Germany — stores are required to close by 8 P.M. on weekdays and by 4 P.M. on Saturdays. There are no Sunday shopping hours.

Wal-Mart will also have to grapple with some of Europe's highest wage costs and some of the region's strongest labor unions, which play a central role in wage negotiations.

Wal-Mart currently has only one unionized store, in Windsor, Canada.

Germany's tough zoning laws will make it difficult for Wal-Mart to open new stores in the country. For now, the company plans to concentrate on improving the Wertkauf stores, Mr. Ingram said.

What's more, because many German retail chains are privately owned, they may be willing to slash prices and incur higher costs to compete with Wal-Mart because they don't have to answer shareholder calls for greater profitability, some analysts said.

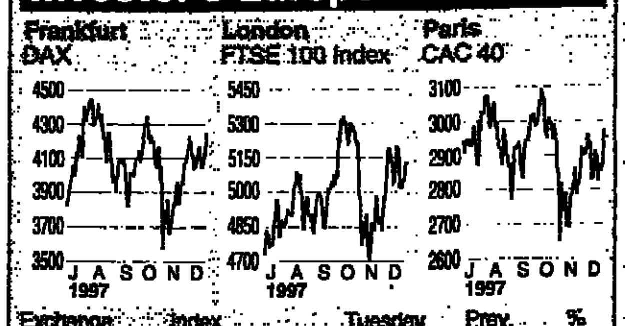
"They took advantage of an opportunity to enter the market when the stakes aren't too high and the outlay is relatively modest," said Robert Clark, a consultant with Corporate Intelligence in London.

Still, Mr. Clark said, he is not convinced Wal-Mart will be able to duplicate its U.S. success in Germany.

Either way, Wal-Mart's debut in Germany means stiffer competition for the large German retailers Karstadt AG and Metro AG, which are already struggling with weak consumer demand. Both retailers said this month that 1997 profit would fall short of forecasts because of slumping domestic sales.

"From a fundamental point of view, it's bearish for German retailers," said Simon Raggett, an analyst at Williams de Broe in London. "Even if Wal-Mart is not successful, it will make it more difficult for its German competitors for a number of years."

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	913.67	908.22	+0.60
Brussels	BEL-20	2,418.42	2,403.66	+0.61
Frankfurt	DAX	4,249.69	4,197.37	+1.25
Copenhagen	Stock Market	N.A.	666.10	-
Helsinki	HEX General	3,302.26	3,250.78	+1.58
Oslo	OBX	676.36	663.95	+1.87
London	FTSE 100	5,132.30	5,112.40	+0.39
Madrid	Stock Exchange	637.76	633.22	+0.72
Milan	MIBTEL	16733	16678	+0.33
Paris	CAC 40	2,975.47	2,939.46	+1.23
Stockholm	SX 16	3,198.29	3,166.31	+1.01
Vienna	ATX	1,294.94	1,284.61	+0.80
Zurich	SPI	3,889.56	3,849.71	+1.04

Source: Telekurs — International Herald Tribune

Publicis Fails to Halt True North

Compiled by Our Staff From Dispatches

CHICAGO — True North Communications Inc. shareholders approved the company's planned $440 million acquisition of privately held Bozell, Jacobs, Kenyon & Eckhardt Inc., True North said Tuesday, creating the world's sixth-largest advertising company.

The approval came despite efforts by True North's largest shareholder, the French advertising agency Publicis SA, to scuttle the deal. Publicis's efforts had included its own offer for a majority stake in True North.

Publicis had indicated it would vote its 18.4-percent stake against the deal. True North said votes cast Tuesday by one shareholder reduced the total in favor of the deal to about 77 percent, but did not say who cast the dissenting votes.

Publicis had also said it would not make another offer for True North if the Bozell purchase was approved. It had opposed the acquisition, saying it was too expensive. Publicis then offered $28 a share, or $269 million, to gain control of True North, an offer contingent on True North ending the Bozell acquisition.

Publicis's appeal of a judge's order blocking its takeover bid was rebuffed by the Delaware Supreme Court on Monday.

True North is the parent of the advertising agency Foote, Cone & Belding. Combined with Bozell, True North will have annual revenue expected to exceed $1.2 billion, the company said.

(Reuters, Bloomberg)

Orders for Mercedes A-Class Fall 75% After Test Failure

Bloomberg News

FRANKFURT — Daimler-Benz AG's Mercedes-Benz unit said Tuesday that orders for the new A-Class subcompact fell 75 percent in the month after the car flipped during a safety test.

Responding to an article in Tuesday's edition of the Frankfurter Allgemeine Zeitung, Mercedes said the number of orders dropped to 4,000 from a monthly average of 16,000 in the six months before October, when a Swedish test driver flipped the car while making a tight turn.

The carmaker is refitting about 10,000 cars with an electronic balancing system, said Detlef May, a Mercedes spokesman. The company continued to produce the cars without the new equipment until it was able to integrate the changes into assembly-line production earlier this month.

Mercedes plans to resume deliveries of the A-Class in February after suspending them last month. Production of the Smart car, made by Daimler in a joint venture with Societe Suisse Microelectronique & d'Horlogerie SA, the maker of the Swatch watch, will resume in July and deliveries will resume in October. The company said earlier this month it was receiving about 250 orders a day for the A-Class car. That puts the total number of orders well above 100,000.

Daimler shares closed in Frankfurt at 126.20 Deutsche marks ($71.04), up 2 DM.

Very briefly:

- **Renault SA** said it had signed a framework agreement with the city of Moscow on a joint venture to make Renault cars in Russia in 1998. The company to be known as OAO Avtoframos will be owned 50-50 by Renault and the Moscow government. Renault will have a chance to acquire at a later date a majority interest in the venture, which plans to produce 30,000 vehicles in 2000 and 120,000 vehicles in 2001.
- **Harrisons & Crosfield PLC** said it would buy **NL Industries Inc.**'s Rheox chemicals business for $465 million as part of a new strategic shift, while also returning £402 million ($671 million) to investors.
- **Germany's Chancellor Helmut Kohl** trimmed his forecast for economic growth next year but remained convinced that the introduction of Europe's single currency would go ahead on time in 1999. Mr. Kohl, who previously said the economy would grow more than 3 percent, said it would expand by 2.5 to 3 percent.
- **McDonald's UK** said it would open 100 new restaurants in Britain next year, creating 5,000 full-time and part-time jobs, the same number it created in 1997.
- **Deutsche Telekom AG** said it agreed to buy a 21.1 percent stake in **VocalTec Communications Ltd.**, an Israeli maker of software that will aid the German phone company's plan to sell telephone service on the Internet. In return, Deutsche Telekom will spend $30 million to buy VocalTec products.
- **GEC Alsthom** said that Portuguese Railways has awarded a contract valued at 72.2 million European currency units ($80.1 million) for 12 double-decker motorized trains to a Spanish group led by the British-French joint venture.
- **Lazard Brothers & Co.** was the No. 1 adviser for mergers and acquisitions in Britain this year as ranked by the value of the transactions, according to Acquisitions Monthly magazine's annual tables.

Bloomberg, Reuters

BT and Telekom Take On Deregulation With Price Cuts

Compiled by Our Staff From Dispatches

British Telecommunications PLC said Tuesday it planned a new service for business customers that would cut the price of international calls to up to 10 countries by 15 percent. At the same time, Deutsche Telekom AG said it would discontinue the one-time charge it bills customers who ask for an itemized accounting of telephone numbers they have called.

Both plans begin Thursday, the day that telephone monopolies across Europe end and the industry faces deregulated competition for the first time. Several long-established companies as well as start-up ones have announced that they will be undercutting the region's dominant phone providers, and the monopolies are beginning to respond.

BT said that under its new "Key Countries" package, customers can select up to 10 countries from a choice of 30 of the main international-call destinations for British businesses.

Combined with BT's existing discount plans, the new package could cut daytime calls to the United States to 11.50 pence (19 cents) per minute and calls to France, Germany or the Netherlands to 13.8 pence per minute, the company said.

Amid increasing pricing pressure from its smaller rivals, BT also plans to cut the price of long-distance and national calls made on weekends by 10 percent starting Jan. 17.

(Reuters, Bloomberg)

WORLD STOCK MARKETS

Tuesday, Dec. 30

Prices in local currencies.
Telekurs

Amsterdam

AEX index: 913.67 — Previous: 908.22

	High	Low	Close	Prev.
ABN-AMRO	40.20	38.90	39.50	39.50
Aegon	181.50	180.10	180.50	180.60
Ahold	54.10	52.40	52.90	53.60
Akzo Nobel	349.80	343.10	349.60	342.40
Baan Co.	66.60	65.60	66.40	65
Bols Wess cva	31.70	31	31.40	31.30
CSM cva	89.90	87	90	88.70
Dordtsche Pet	111	108.60	108.80	109
DSM	185.90	184.20	185.20	183.90
Elsevier	33.10	32.40	32.80	32.80
Fortis Amev	88.50	87.20	88.40	87.90
Getronics	65.80	64.40	64.60	65.20
G-Broc cva	50.90	50	50.40	50.50
Hagemeyer	85.60	84.20	84.70	84.50
Heineken	353.50	349	353	351
Hoogovens cva	83.20	82.60	83.10	83
Hunt Douglas	74	71	71	73
ING Group	86.30	83.90	85.40	84.40
KLM	76.30	74.80	75	75.30
KNP BT	46.90	45.90	46.70	46.20
KPN	84.60	82.70	84.60	83
Nedlloyd Gp	46.50	45.30	46	46.20
Nutricia	61.80	60.40	61.50	61.60
Oce Grinten	222.90	219.80	221	221
Philips Elec	122.50	120.40	121.60	122.30
Polygram	97	95.70	97	95.10
Randstad Hdg	76.30	75.20	76.30	76
Robeco	188.50	187.50	188.40	184.50
Rodamco	57.10	56.50	57	57
Rolinco	175	174.40	175	173
Rorento	121.20	121	121	120.70
Royal Dutch	112	110.30	111.30	110
Unilever cva	125.40	123.80	125	123.90
Vendex Intl	111.90	110	111.90	109.80
VNU	57.50	55.60	57.20	55.10
Wolters Kl cva	262.90	260	261.90	261.70

Bangkok

SET index: 365.82 — Previous: 358.77

	High	Low	Close	Prev.
Adv Info Svc	236	230	230	228
Bangkok Bk F	122	120	120	129
Krung Thai Bk	10	9.80	10	9.70
PTT Explor	406	400	400	402
Siam Cement F	368	360	368	346
Siam Com Bk F	52.50	50	52.50	49.50
Telecomasia	9.10	8.50	9.10	8.50
Thai Airways	52.50	49.50	52	50
Thai Farm Bk F	84	79.50	83	78
Utd Comm	19.25	18.75	19	19.50

Bombay

Sensex 30 index: 3637.71 — Previous: 3706.79

	High	Low	Close	Prev.
Bajaj Auto	623.75	604.50	608.50	615
Hindust Lever	1391	1360	1362.50	1390
Hindust Petm	488.50	480	481.75	489.75
Ind Dev Bk	91.75	90	90	92
ITC	616.75	603	608.50	619.25
Mahanagar Tel	265	252.50	255	265.25
Reliance Ind	169.50	165	166	170
State Bk India	242.50	237.25	240.75	243
Steel Authority	10	9.50	9.75	9.75
Tata Eng Loco	312	294	296	303

Brussels

BEL-20 index: 2418.42 — Previous: 2403.66

	High	Low	Close	Prev.
Almanij	1875	1855	1870	1840
Barco Ind	6840	6780	6800	6830
BBL	10050	9800	9900	9840
CBR	3380	3320	3330	3315
Colruyt	19800	18900	18925	18950
Delhaize Lion	1895	1875	1880	1880
Electrabel	8580	8500	8570	8520
Electrafina	3410	3330	3410	3400
Fortis AG	7780	7700	7730	7690
Gevaert	1708	1670	1700	1700
GBL	5408	5350	5360	5350
Gen Banque	16125	15850	16125	15950
Kredietbank	15700	15200	15550	15500
Petrofina	13875	13675	13675	13800
Powerfin	5400	5340	5340	5330
Royale Belge	10700	10400	10550	10400
Soc Gen Belg	3450	3370	3390	3370
Solvay	2335	2285	2330	2295
Tractebel	3240	3200	3230	3195
UCB	124000	121200	122300	121800

Copenhagen

Stock index: N.A. — Previous: 666.19

	High	Low	Close	Prev.
BG Bank	476	460	461	471
Carlsberg B	380	364	368	375
Codan Fors	1000	960	965	1000
Danisco	396	380	380	389
Den Danske Bk	920	904	913	910
D/S Svendborg B	465455	447878	450000	439000
D/S 1912 B	319800	315000	316000	305000
FLS Ind B	166	161	163.40	162
Kob Lufthavne	838	819	825	820
Novo Nordisk B	1000	959	980	970
Sophus Ber B	1150	1060	1130	1130
Tele Danmk B	429	423	425	425
Tryg Baltica	450	439	445.45	445
Unidanmark A	515	500	503	509.49

Frankfurt

DAX: 4249.69 — Previous: 4197.37

	High	Low	Close	Prev.
AMB B	199	195	195	195.50
Adidas	239	231	234.60	229.50
Allianz	468	462	466	455
Altana	124.70	118.70	122.50	122.50
AXA Colonia	182	172	172	177.40
Bk Berlin	40	39.50	39.60	39.60
BASF	64.90	62.57	63.75	64.40
Bay Hypo Bk	88.95	86.90	87.80	87
Bay Vereinsbank	118.50	116	117.70	116.70
Bayer	67.20	66.51	67.20	64.80
Beiersdorf	79	76.50	78	75.80
Bewag	54.40	53.30	54.40	54
BMW	1352	1302	1345	1283
Commerzbank	72.70	70	70.80	72.30
Daimler Benz	127.30	125.30	126.20	124.20
Degussa	91.50	88.50	90	89.60
Deutsche Bank	127.40	124.65	127	125
Deut Telekom	34.30	33.30	33.85	32.70
Dresdner Bank	84.20	81.80	83	81.10
Fresenius	303.50	300	303	304
Fresenius Med	119.50	119	119.50	119
Fried. Krupp	331	325	331	321
Gehe	96	90	90	92.50
Heidelbg Zmt	128	125.50	128	125.50
Henkel pfd	113.50	112	113.50	110.70
HEW	464	464	464	464
Hochtief	75	71	71	73
Hoechst	63.80	62.30	63	61.10
Karstadt	624	614.10	614.10	618
Lahmeyer	72.80	72	72.40	72.80
Linde	1100	1082	1098	1067.50
Lufthansa R	34.50	33.50	34.50	32.40
MAN	522	516	521	505
Mannesmann	909	899	909	897
Metallgesellschaft	33.40	32.90	32.90	32.70
Metro	64.70	63.10	64.50	63.90
Munich Rueck R	693	656	678	670
Preussag	553	540	549	548.50
RWE	100	93	96.50	96.30
SAP	551	543	546.50	540
Schering	177.40	171.50	173.50	175.90
SGL Carbon	232	230	232	230
Siemens	109.95	106.50	106.50	107.60
Springer (Axel)	1210	1210	1210	1210
Suedzucker	885	867	880	880
Thyssen	385.50	383	385	385
Veba	125	120.30	122.50	121.70
VEW	590	565	565	590
Viag	1009	950	969	991.70
Volkswagen	1020	1001	1012	1004

Helsinki

HEX General index: 3302.26 — Previous: 3250.74

	High	Low	Close	Prev.
Enso A	43	41.80	42.50	42.50
Huhtamaki I	225	224	225	220
Kemira	53	50.50	51.50	52
Kesko	88	84.50	86.20	84.50
Merita A	30	29.60	29.80	29.50
Metra B	130	125	128	129
Metso-Serla B	43	42.50	42.50	41.50
Neste	134	131	132	132
Nokia A	387	380	387	376.50
Orion-Yhtymae	144.50	140.10	144	140
Outokumpu	66.50	64.50	66.50	64
UPM-Kymmene	110.90	108.60	109	109
Valmet	75.80	75.10	75.20	75.30

Hong Kong

Hang Seng: 10755.21 — Previous: 10582.99

	High	Low	Close	Prev.
Amoy Props	6.90	6.70	6.75	6.70
Bk East Asia	18.15	17.95	18.10	17.85
Cathay Pacific	6.10	5.90	6.05	5.90
Cheung Kong	50.75	49.50	50	48.80
CK Infrastruct	22.40	21.10	22.40	20.60
China Light	43.10	42.40	42.90	42
Citic Pacific	31	30.50	30.80	30.20
Dao Heng Bk	19.60	18.90	19.30	19.15
First Pacific	3.90	3.63	3.85	3.60
Hang Lung Dev	10.85	10.65	10.80	10.65
Hang Seng Bk	76	74.25	75	74.25
Henderson Inv	6.40	6.20	6.20	6.20
Henderson Ld	36.80	35.50	36.70	35.20
HK China Gas	14.80	14.55	14.70	14.35
HK Electric	29.50	29.10	29.40	28.85
HK Telecomm	16	15.60	15.95	15.60
Hopewell Hdgs	2.03	1.92	1.92	1.98
HSBC Hdgs	194	191	194	189.50
Hutchison Wh	49.80	48	48.60	47.70
Hysan Dev	15.40	15.20	15.30	15.15
Johnson El Hdg	22.30	21.85	22.30	21.85
Kerry Props	12.80	12.60	12.80	12.80
New World Dev	26.95	26.40	26.85	26
Oriental Press	2.33	2.25	2.30	2.23
Pearl Oriental	0.40	0.39	0.40	0.39
SHK Props	54.75	53.25	54.50	52.75
Shun Tak Hdgs	2.18	2.10	2.15	2.20
Sino Land Co.	4.60	4.38	4.60	4.38
Sth China Post	5.65	5.35	5.45	5.70
Swire Pac A	41.70	40.90	41.70	40.50
Wharf Hdgs	16.95	16.60	16.80	16.55
Wheelock	9.20	9	9.05	9

Jakarta

Composite index: 401.71 — Previous: 398.01

	High	Low	Close	Prev.
Astra Intl	1475	1425	1425	1450
Bk Intl Indon	375	325	325	375
Bk Negara	550	525	525	535
Gudang Garm	8400	8250	8375	8250
Indocement	1850	1750	1800	1850
Indofood	1900	1750	1800	1800
Indosat	10200	9800	10200	9900
Sampoerna HM	4150	4100	4150	4075
Semen Gresik	3250	3200	3225	3175
Telekomunikasi	2950	2850	2925	2900

Johannesburg

All Markets: 6149.25 — Previous: 6130.32

	High	Low	Close	Prev.
ABSA Group	28	27	27	27.10
AngloAm Coal	230	227	227	227
AngloAm Corp	199.60	198.60	198.60	199
AngloAm Gold	189.60	186	186	189.40
AngloAm Ind	118.60	118	118	118
AngloAM Plat	67.10	66.10	67	66
AVMIN	6.10	5.96	5.96	6.06
Barlow	41.25	40.80	41.10	40.25
C.G. Smith	20.40	20.25	20.30	20.25
De Beers	98.40	97	97.80	96.80
Driefontein	33.15	33.10	33.10	33.20
Fst Natl Bk	44.50	43.50	44.50	43
Gencor	8.11	7.65	7.90	7.55
GFSA	74.50	74.50	74.50	75.50
Imperial Hdgs	54.30	54	54	54
Ingwe Coal	17	16.90	17	16.90
Iscor	1.50	1.43	1.43	1.51
Johnnies Indl	52.20	51	52.10	51
Liberty Hdgs	340	325	340	324
Liberty Life	126	124	125.80	125
LibLife Strat	16.50	15.90	16.25	15.80
Minorco	82.80	82	82.70	82.20
Nampak	15	14.75	14.75	15
Nedcor	108	107.60	108	107.60
Rembrandt Gp	35.70	35.40	35.70	35.25
Richemont	53	52	52.90	52.30
SA Breweries	121.20	120	121	120
Samancor	22.50	22	22.25	22.50
Sasol	51	50	51	50
SBIC	212.60	212	212.40	212
Tiger Oats	67.50	67	67.20	66

Kuala Lumpur

Composite: 587.39 — Previous: 568.64

	High	Low	Close	Prev.
AMMB Hdgs	2.49	2.10	2.45	2.09
Genting	10.30	10	10.20	10
Mal Banking	11.10	10.30	11	10.20
Mal Intl Ship F	5.65	5.55	5.60	5.55
Petronas Gas	9.50	9.40	9.50	9.50
Proton	3.78	3.58	3.68	3.52
Public Bk	1.40	1.33	1.37	1.31
Renong	1.92	1.37	1.80	1.80
Resorts World	6.75	6.60	6.70	6.65
Rothmans PM	32	31.50	31.75	32
Sime Darby	3.88	3.70	3.78	3.76
Telekom Mal	11.30	10.60	11.20	10.50
Tenaga	8.05	7.65	8	7.60
Utd Engineers	3.60	3.20	3.24	3.24
YTL	5.35	5.15	5.25	5.20

London

FT-SE 100: 5132.30 — Previous: 5112.40

	High	Low	Close	Prev.
Abbey Natl	11	10.84	10.94	10.90
Allied Domecq	5.34	5.19	5.28	5.20
Anglian Water	8.40	8.20	8.25	8.39
Argos	5.60	5.48	5.51	5.52
Asda Group	1.80	1.77	1.78	1.77
Assoc Br Foods	5.33	5.20	5.32	5.32
BAA	5.03	4.90	5	4.95
Barclays	16.27	15.90	16.14	16.04
Bass	9.40	9.25	9.31	9.31
BAT Ind	5.57	5.47	5.52	5.46
Bank Scotland	5.77	5.57	5.70	5.70
Blue Circle	3.45	3.35	3.40	3.42
BOC Group	10.33	9.90	9.97	10.20
Boots	8.84	8.71	8.73	8.79
BPB Ind	3.40	3.36	3.40	3.38
Brit Aerosp	17.50	16.45	17.40	17.38
Brit Airways	5.62	5.44	5.54	5.57
BG	2.88	2.75	2.81	2.80
Brit Land	7	6.76	6.85	6.81
Brit Petm	8.15	8.01	8.03	8.06
BSkyB	4.59	4.41	4.55	4.47
Brit Steel	1.33	1.27	1.29	1.28
Brit Telecom	4.87	4.70	4.79	4.74
BTR	1.85	1.83	1.84	1.84
Burmah Castrol	10.60	10.19	10.56	10.22
Burton Gp	1.36	1.33	1.34	1.33
Cable Wireless	5.48	5.32	5.37	5.35
Cadbury Schw	6.09	5.95	6.08	6.09
Carlton Comm	4.80	4.67	4.72	4.67
Coml Union	8.57	8.49	8.57	8.53
Compass Gp	7.50	7.41	7.42	7.47
Courtaulds	2.98	2.88	2.97	2.89
Diageo	5.62	5.58	5.61	5.60
Dixons	6.14	6	6.07	6.10
Electrocomponents	4.55	4.51	4.52	4.55
EMI Group	5.10	4.95	5.06	4.93
Energy Group	6.80	6.78	6.78	6.80
Enterprise Oil	5.94	5.77	5.90	5.87
Fors Colonial	1.75	1.72	1.74	1.71
Genl Accident	10.65	10.40	10.49	10.28
GEC	3.94	3.88	3.91	3.90
GKN	12.75	12.44	12.75	12.45
Glaxo Wellcome	14.64	14.32	14.44	14.46
Granada Gp	9.38	9.28	9.37	9.34
GRE	3.38	3.28	3.34	3.29
Greenalls Gp	4.45	4.38	4.40	4.40
GUS	7.69	7.43	7.60	7.46
Hays	8.15	7.90	7.95	8.07
HSBC Hldgs	15.15	14.75	15.05	14.69
ICI	9.65	9.36	9.38	9.38
Impl Tobacco	3.82	3.70	3.81	3.76
Kingfisher	8.45	8.32	8.35	8.37
Ladbroke	2.71	2.64	2.65	2.68
Land Sec	9.99	9.71	9.77	9.77
Lasmo	2.77	2.69	2.74	2.71
Legal Genl Grp	5.40	5.15	5.33	5.28
Lloyds TSB Gp	7.85	7.68	7.83	7.68
LucasVarity	2.23	2.15	2.20	2.16
Marks Spencer	6.06	5.87	5.94	6.03
MEPC	5.11	5.06	5.07	5.11
Mercury Asset	16.98	16.93	16.98	16.98
National Grid	2.93	2.88	2.90	2.91
Natl Power	5.95	5.72	5.79	5.75
NatWest	10.29	9.92	10.08	10.05
Next	6.95	6.84	6.85	6.87
Norwich Union	3.99	3.88	3.96	3.91
Orange	2.69	2.52	2.64	2.61
P&O	7.07	6.82	6.88	6.80
Pearson	8.06	7.90	8.03	7.91
Pilkington	1.30	1.27	1.29	1.28
PowerGen	8	7.50	8	7.98
Premier Farnell	4.40	4.18	4.38	4.20
Prudential	7.25	7.13	7.25	7.16
Railtrack Gp	9.63	9.48	9.61	9.53
Rank Group	3.48	3.40	3.45	3.41
Reckitt Coln	9.68	9.42	9.60	9.32
Redland	3.43	3.41	3.42	3.47
Reed Intl	6.12	5.96	6.06	6.07
Rentokil Initial	2.49	2.45	2.47	2.47
Reuters Hdgs	6.72	6.55	6.67	6.46
Rexam	2.94	2.85	2.94	2.83
RTZ reg	7.47	7.27	7.40	7.27
RMC Group	8.87	8.58	8.70	8.61
Rolls Royce	2.41	2.37	2.38	2.37
Royal Bk Scot	7.50	7.37	7.43	7.45
Royal & Sun All	6.23	6	6.16	6.01
Safeway	3.44	3.37	3.41	3.38
Sainsbury	5.08	4.90	5.08	4.97
Schroders	19.48	19.02	19.38	19.05
Scot Newcastle	7.45	7.30	7.39	7.35
Scot Power	5.38	4.70	5.35	5.25
Securicor	2.86	2.84	2.86	2.84
Severn Trent	9.98	9.86	9.90	9.91
Shell Transp R	4.70	4.34	4.43	4.35
Siebe	12.22	11.85	12.05	11.68
Smith Nephew	1.80	1.78	1.80	1.78
SmithKline	6.29	6.17	6.28	6.17
Smiths Ind	8.44	8.30	8.44	8.46
Sthern Elec	5.25	5	5.13	5.02
Stagecoach	8.45	8.35	8.35	8.37
Stand Charter	6.70	6.50	6.50	6.54
Tate & Lyle	4.97	4.94	4.96	4.96
Tesco	5.05	4.91	4.96	5.05
Thames Water	9.10	8.98	9.08	9.01
3i Group	5.05	5.01	5.04	5.01
TI Group	4.77	4.65	4.70	4.74
Tomkins	2.95	2.92	2.94	2.96
Unilever	5.19	5.04	5.09	5.03
Utd Assurance	5.28	5.18	5.28	5.23
Utd News	7.05	6.95	7	7
Utd Utilities	7.86	7.68	7.80	7.75
Vendome Lx uts	4.76	4.75	4.76	4.76
Vodafone	4.44	4.36	4.40	4.38
Whitbread	9.05	8.70	8.90	9.02
Williams Hdgs	3.38	3.33	3.35	3.35
Wolseley	4.93	4.76	4.76	4.82
WPP Group	2.70	2.62	2.70	2.64
Zeneca	21.20	20.75	21.12	20.98

Madrid

Bolsa index: 637.76 — Previous: 633.22

	High	Low	Close	Prev.
Acerinox	23140	22710	22800	22720
ACESA	2070	2020	2060	2040
Aguas Barcelon	6420	6320	6330	6420
Argentaria	9470	9380	9390	9350
BBV	4845	4785	4840	4800
Banesto	1550	1525	1550	1530
Bankinter	8720	8530	8630	8650
Bco Centro Hisp	3650	3580	3610	3595
Bco Popular	10690	10420	10650	10330
Bco Santander	4940	4870	4940	4875
CEPSA	4710	4600	4610	4670
Continente	2975	2810	2945	2840
Corp Mapfre	4125	4010	4045	4020
Endesa	2880	2800	2820	2850
FECSA	1290	1270	1285	1270
Gas Natural	8080	7930	7980	8040
Iberdrola	2040	2005	2030	2015
Pryca	2350	2295	2325	2290
Repsol	6560	6460	6520	6440
Sevillana Elec	1475	1445	1465	1475
Tabacalera	12700	12450	12500	12400
Telefonica	4590	4520	4585	4500
Union Fenosa	1460	1440	1455	1445
Valenc Cement	3000	2955	2990	3000

Markets Closed

Stock markets in Manila and Seoul were closed Tuesday for a holiday.

Mexico

Bolsa index: 5198.75 — Previous: 5120.61

	High	Low	Close	Prev.
Alfa A	54.40	53.70	54.30	53.60
Banacci B	24.20	23.80	24.00	23.50
Cemex CPO	36.65	36.00	36.40	35.70
Cifra C	18.00	17.66	17.96	17.70
Emp Modema	43.80	43.40	43.60	43.70
Gpo Carso A1	55.08	54.00	54.10	54.40
Gpo F Bcomer	3.22	3.14	3.18	3.13
Gpo Fin Inbursa	33.00	32.00	32.90	32.00
Kimb Clark Mex	38.80	36.40	38.00	36.20
Televisa CPO	157.00	152.50	157.00	152.50
TelMex L	22.90	22.60	22.80	22.55

Milan

MIB Telematico: 16733.00 — Previous: 16678.00

	High	Low	Close	Prev.
Alleanza Assic	18000	17730	17780	17750
Bca Comm Ital	6360	5975	6135	6020
Bca Fideuram	7920	7620	7800	7625
Bca di Roma	1745	1675	1725	1690
Benetton	28900	28400	28650	28800
Credito Italiano	5600	5470	5505	5600
Edison	10920	10600	10770	10795
ENI	10090	9950	10005	9950
Fiat	5235	5070	5105	5095
Generali Assic	43500	42800	43450	43000
IMI	21600	20750	21200	21000
INA	3685	3635	3650	3610
Italgas	7300	7100	7100	7290
Mediaset	8655	8550	8600	8500
Mediobanca	13950	13725	13805	13850
Montedison	1565	1536	1549	1555
Olivetti	1058	1047	1051	1048
Parmalat	2555	2460	2485	2445
Pirelli	4740	4670	4685	4700
RAS	17400	17065	17140	17120
Rolo Banca	25450	25050	25400	25200
S Paolo Torino	17140	16800	16950	17000
Telecom Italia	11190	11000	11075	11060
TIM	8500	8210	8230	8350

Montreal

Industrials index: 3253.09 — Previous: 3249.15

	High	Low	Close	Prev.
Bca Mob Com	36	35¾	36	35.65
Cdn Tire A	31.95	31¼	31½	31
Cdn Util A	40¾	40.60	40.60	40.85
CT Finl Svc	53.60	53.60	53.60	53.60
Gaz Metro	18½	18.30	18.45	18.30
Gt-West Lifeco	38.85	38	38	38.90
Imasco	51.65	51.35	51.35	51.85
Investors Grp	45	45	45	45
Loblaw Cos	25.90	25.90	25.90	25½
Natl Bk Canada	24.15	23.90	24	23.70
Power Corp	51½	50¾	51.05	51
Power Finl	50¼	49¾	50	49.65
Quebecor B	25¾	25½	25.70	25.40
Rogers Comm B	7.05	7	7	7
Royal Bk Cda	76¼	75½	75.85	75.85

Oslo

OBX index: 676.36 — Previous: 663.95

	High	Low	Close	Prev.
Aker A	134	128	133	128
Bergesen Dy A	174	170	174	168
Christiania Bk	30.50	29.60	29.80	29.40
Den norske Bk	35.80	34.80	34.80	34.70
Elkem	102	96	98	96.50
Hafslund A	45	44.90	45	44
Kvaerner	376	369.50	376	365
Norsk Hydro	360	355	359.50	345
Norske Skog A	214	212	214	209
Nycomed Amer	172.50	172	172	172
Orkla A	640	625	635	626
Petm GeoSvc	467	462.50	465	453
Saga Petm A	129	127	127	128
Schibsted	128	125	126.50	128
Transocean Off	325	315	325	310
Storebrand	53	50.50	52	50

Paris

CAC-40: 2975.47 — Previous: 2939.46

	High	Low	Close	Prev.
Accor	1118	1101	1110	1119
AGF	318.90	317.70	318.80	318
Air Liquide	934	911	928	925
Alcatel Alsth	761	751	757	750
Axa-UAP	468.50	464.20	466	465.20
Bancaire	975	942	975	945
BIC	442	434.20	440.80	436
BNP	320.50	316.40	318	318
Canal Plus	1145	1128	1133	1133
Carrefour	3103	3048	3090	3025
Casino	337	322.50	332	327
CCF	410	407.60	410	408.90
Cetelem	835	817	817	824
Christian Dior	602	590	598	580
Credit Agricole	1235	1235	1235	1231
Danone	1084	1074	1082	1077
Dexia Fran	719	693	710	693
Elf-Aquitaine	700	673	696	673
Eridania BS	966	950	966	958
Eurodisney	7	6.85	6.90	7
Eurotunnel	5.85	5.75	5.85	5.75
France Telecom	217.80	215.20	217.30	215.20
Gen. Eaux	834	826	831	823
Havas	433.80	426.70	431.50	429.30
Imetal	742	725	742	723
Lafarge	392	377.10	391.10	384
Legrand	1162	1125	1162	1137
L'Oreal	2340	2276	2338	2240
LVMH	1015	987	1003	986
Michelin B	305	298.20	300.20	301.20
Paribas A	517	512	515	512
Pernod Ricard	357	351.10	357	351
Peugeot Cit	735	721	722	719
Pinault-Print	3266	3201	3239	3200
Promodes	2509	2402	2460	2519
Renault	170.20	167	168.60	168.50
Rexel	1855	1840	1853	1838
Rh-Poulenc A	266	260.50	265.10	262.50
Sanofi	666	653	662	647
Schneider	327.60	319.60	322	323
SEB	825	805	825	801
SGS Thomson	374	355	359.10	360
Ste Generale	816	805	814	804
Sodexho	3240	3218	3234	3190
St Gobain	848	838	842	838
Suez (Cie)	15.80	15.80	15.80	15.20
Suez Lyon Eaux	668	657	668	655
Synthelabo	755	745	755	750
Thomson CSF	188	186	186.70	185.50
Total B	647	632	647	639
Usinor	86.10	84.60	85.25	84.50
Valeo	402	394	394.40	384.10

São Paulo

Bovespa index: 10117.88 — Previous: 10051.86

	High	Low	Close	Prev.
Bradesco Pfd	10.80	10.50	10.50	10.30
Brahma Pfd	785.00	760.00	780.00	757.00
Cemig Pfd	48.50	47.50	48.00	48.00
CESP Pfd	67.00	64.50	66.00	64.00
Copel	12.50	12.00	12.40	12.30
Eletrobras	56.00	54.01	55.50	54.50
Itaubanco Pfd	600.00	560.00	600.00	551.00
Light Servicios	465.00	437.00	460.00	440.00
Lightpar	325.00	310.00	320.00	319.90
Petrobras Pfd	262.50	257.00	260.00	256.00
Paulista Luz	148.00	145.00	147.00	147.50
Sid Nacional	32.00	30.00	31.00	31.00
Souza Cruz	9.20	9.00	9.20	9.00
Telebras Pfd	128.90	126.50	126.980	126.70
Telemig	136.00	127.00	136.00	128.00
Telerj	112.50	108.00	112.01	108.00
Telesp Pfd	296.99	290.00	291.00	293.70
Unibanco	46.02	46.00	46.00	48.00
Usiminas Pfd	6.50	5.89	6.50	5.99
CVRD Pfd	22.50	21.70	22.20	21.70

Singapore

Straits Times: 1514.83 — Previous: 1517.94

	High	Low	Close	Prev.
Asia Pac Brew	4.10	4.10	4.10	4.10
Cerebos Pac	4.24	4.22	4.22	4.22
City Devts	7.60	7.40	7.50	7.55
Cycle Carriage	7	6.90	6.90	6.95
Dairy Farm Intl *	1	0.97	1	0.98
DBS foreign	14	13.70	14	13.90
DBS Land	2.58	2.54	2.57	2.57
Fraser & Neave	7.25	7.10	7.15	7.15
HK Land *	1.93	1.66	1.92	1.65
Jard Matheson *	5.05	4.80	5	4.70
Jard Strategic *	2.58	2.46	2.55	2.45
Keppel A	4.82	4.74	4.78	4.72
Keppel Bank	2.70	2.68	2.70	2.68
Keppel Fels	4.62	4.50	4.58	4.46
Keppel Land	2.57	2.45	2.45	2.54
OCBC foreign	9.65	9.30	9.60	9.45
OS Union Bk F	6.55	6.45	6.50	6.55
Parkway Hdgs	3.82	3.78	3.82	3.78
Sembawang	3.74	3.36	3.50	3.68
Sing Air foreign	10.80	10.50	10.80	10.30
Sing Land	4.02	3.78	3.78	3.96
Sing Press F	21.50	20.90	21.50	20.80
Sing Tech Ind	1.63	1.58	1.60	1.57
Sing Telecomm	3.14	3.06	3.14	3.08
Tat Lee Bank	2.50	2.48	2.49	2.48
Utd Industrial	0.64	0.60	0.63	0.62
Utd O'Sea Bk F	9.35	9.10	9.15	9
Wing Tai Hdgs	1.96	1.89	1.91	1.98

*: in U.S. dollars.

Stockholm

SX 16 index: 3198.29 — Previous: 3166.31

	High	Low	Close	Prev.
AGA B	105	102.50	105	103.50
ABB A	94	93	94	93
AssiDoman	201	193	201	191
Astra A	139.50	136.50	137.50	138
Atlas Copco A	239	233	237	233
Autoliv	261	252	258.50	246
Electrolux B	552	540	551	541
Ericsson B	305.50	298	298.50	293
Forenings Spar	183	179.50	180.50	180
Hennes B	356	343	350	344
Incentive A	715	706	715	710
Investor B	389	383	387	382
MoDo B	208	202	205	203
Pharm/Upjohn	294	287.50	292	288
Sandvik B	229	225	227	222.50
Scania B	180	175	179	172
SCA B	180	172	178.50	174
S-E Banken A	100.50	99	100.50	100.50
Skandia Fors	380	372	374.50	371
Skanska B	326	322	325.50	322
SKF B	169	163	169	165
Stora A	100.50	99	100	99
Sv Handels A	277	274.50	274.50	275
Volvo B	213.50	210.50	213	211.50

Sydney

All Ordinaries: 2601.40 — Previous: 2576.30

	High	Low	Close	Prev.
Amcor	6.71	6.62	6.71	6.63
ANZ Bkg	9.95	9.79	9.82	9.65
BHP	14.45	14.21	14.36	14.15
Boral	3.94	3.85	3.85	3.85
Brambles Ind.	30.70	30.15	30.22	30.10
CBA	17.69	17.41	17.60	17.49
CC Amatil	11.60	11.45	11.46	11.49
Coles Myer	7.55	7.35	7.37	7.42
Comalco	6.20	6.12	6.13	6.14
CSR	5.20	5.10	5.20	5.13
Fosters Brew	2.98	2.94	2.94	2.92
Goodman Fld	2.48	2.40	2.45	2.38
ICI Australia	10.70	10.55	10.66	10.50
Lend Lease	30.20	29.79	29.79	29.40
MIM Hdgs	0.95	0.93	0.95	0.94
Nat Aust Bank	21.41	21.21	21.39	20.97
Nat Mutual Hdg	2.95	2.85	2.89	2.83
News Corp	8.42	8.33	8.37	8.31
Pacific Dunlop	3.28	3.18	3.26	3.24
Pioneer Intl	4.22	4.18	4.20	4.14
Pub Broadcast	6.80	6.71	6.80	6.80
Rio Tinto	17.80	17.35	17.69	17.20
St George Bank	8.70	8.52	8.53	8.63
WMC	5.31	5.22	5.27	5.22
Westpac Bkg	9.91	9.75	9.80	9.75
Woodside Pet	10.88	10.61	10.88	10.60
Woolworths	5.25	5.09	5.10	5.06

Taipei

Stock Market index: 8145.77 — Previous: 8076.65

	High	Low	Close	Prev.
Cathay Life Ins	145	143.50	144.50	143
Chang Hwa Bk	91	90	90.50	90
Chiao Tung Bk	68.50	68	68	68
China Developmt	93	92	92.50	91.50
China Steel	24.60	24.20	24.30	24.20
First Bank	90.50	89.50	90	89.50
Formosa Plastic	63.50	61.50	63	61
Hua Nan Bk	93	92	92.50	92.50
Intl Comm Bk	59	58	58.50	58.50
Nan Ya Plastics	57	55.50	56	55.50
Shin Kong Life	105.50	103	104.50	102.50
Taiwan Semi	113	111	111.50	110
Tatung	35.80	35.10	35.20	35.50
Utd Micro Elec	64.50	63.50	63.50	63
Utd World Chin	57	56	56.50	56

Tokyo

Nikkei 225: 15258.74 — Previous: 14775.22

	High	Low	Close	Prev.
Ajinomoto	1270	1240	1270	1230
All Nippon Air	505	496	500	497
Amway	2500	2410	2500	2400
Asahi Bank	530	510	530	505
Asahi Chem	442	421	442	420
Asahi Glass	620	595	620	583
Bk Tokyo Mitsu	1800	1760	1800	1750
Bk Yokohama	344	320	344	323
Bridgestone	2840	2810	2830	2770
Canon	3070	3000	3040	3000
Chubu Elec	2030	1990	1990	2000
Chugoku Elec	1880	1860	1880	1870
Dai Nipp Print	2460	2430	2450	2380
Daiei	541	525	540	523
Dai-Ichi Kang	790	770	770	764
Daiwa Bank	280	275	279	275
Daiwa House	690	660	690	624
Daiwa Sec	453	445	450	439
DDI	3460a	3300a	3450a	3240a
Denso	2350	2270	2350	2220
East Japan Ry	5890a	5840a	5890a	5840a
Eisai	2010	1980	1990	1980
Fanuc	4940	4840	4940	4770
Fuji Bank	532	512	528	500
Fuji Photo	5020	4950	5000	4860
Fujitsu	1410	1390	1400	1400
Hachijuni Bk	970	958	960	950
Hitachi	947	930	930	904
Honda Motor	4800	4760	4790	4800
IBJ	939	925	930	925
IHI	195	192	195	189
Itochu	216	205	205	215
Ito-Yokado	6690	6610	6650	6630
JAL	359	350	355	345
Japan Tobacco	9330a	9220a	9260a	9280a
Jusco	1860	1830	1840	1770
Kajima	339	323	329	320
Kansai Elec	2210	2130	2210	2130
Kao	1880	1850	1880	1840
Kawasaki Hvy	202	200	202	200
Kawa Steel	178	172	178	165
Kinki Nipp Ry	697	685	697	686
Kirin Brewery	950	915	950	909
Kobe Steel	105	101	105	101
Komatsu	655	646	655	640
Kubota	344	327	344	326
Kyocera	5970	5810	5920	5780
Kyushu Elec	1900	1870	1880	1860
LTCB	209	195	209	200
Marubeni	230	220	229	215
Marui	2030	2000	2030	2000
Matsu Comm	3530	3480	3480	3260
Matsu Elec Ind	1920	1880	1910	1860
Matsu Elec Wk	1130	1120	1130	1140
Mitsubishi	1030	950	1030	948
Mitsubishi Ch	189	182	187	177
Mitsubishi El	334	320	334	320
Mitsubishi Est	1420	1380	1420	1380
Mitsubishi Hvy	544	534	544	538
Mitsubishi Mat	440	434	440	419
Mitsubishi Tr	1310	1290	1310	1270
Mitsui	774	755	772	752
Mitsui Fudosn	1270	1230	1260	1240
Mitsui Trust	253	243	253	245
Murata Mfg	3340	3310	3310	3300
NEC	1390	1360	1390	1340
Nikon	1300	1270	1290	1270
Nikko Sec	346	336	346	331
Nintendo	12900	12700	12900	12700
Nipp Express	650	628	650	613
Nippon Oil	339	334	337	333
Nippon Steel	195	190	193	189
Nissan Motor	540	520	540	518
NKK	106	102	104	99
Nomura Sec	1740	1720	1740	1700
NTT	1120b	1100b	1120b	1100b
NTT Data	7190b	7010b	7030b	7180b
Oji Paper	523	513	519	468
Osaka Gas	298	284	298	280
Ricoh	1640	1600	1620	1620
Rohm	13200	13100	13100	13200
Sakura Bk	373	358	373	366
Sankyo	2970	2920	2950	2920
Sanwa Bank	1320	1270	1320	1270
Sanyo Elec	340	315	340	309
Secom	8350	8210	8340	8310
Seibu Rwy	5700	5490	5700	5290
Sekisui Chem	664	651	663	654
Sekisui House	839	825	839	805
Seven-Eleven	9270	9140	9240	9140
Sharp	898	887	898	870
Shikoku El Pwr	1890	1860	1860	1870
Shimizu	310	297	302	300
Shin-etsu Ch	2530	2400	2490	2500
Shiseido	1780	1750	1780	1780
Shizuoka Bk	1400	1370	1400	1350
Softbank	3510	3380	3400	3380
Sony	11600	11400	11600	11600
Sumitomo	730	712	730	711
Sumitomo Bk	1490	1440	1490	1420
Sumit Chem	309	282	300	275
Sumitomo Elec	1780	1750	1780	1730
Sumit Metal	168	164	167	163
Sumit Trust	680	654	678	650
Taisho Pharm	3340	3280	3330	3290
Takeda Chem	3720	3670	3720	3660
TDK	9890	9600	9840	9890
Tohoku El Pwr	1980	1960	1980	1970
Tokai Bank	610	600	608	583
Tokio Marine	1540	1480	1480	1520
Tokyo El Pwr	2380	2360	2380	2350
Tokyo Electron	4210	4070	4180	3970
Tokyo Gas	296	288	296	285
Tokyu Corp.	504	495	504	489
Tonen	731	703	704	703
Toppan Print	1700	1620	1700	1600
Toray Ind	585	578	585	560
Toshiba	550	531	543	529
Tostem	1400	1360	1400	1300
Toyo Trust	780	770	770	763
Toyota Motor	3750	3710	3740	3720
Yamanouchi	2800	2740	2800	2720

a: x 100; b: x 1,000

Toronto

TSE Industrials: 6676.87 — Previous: 6649.96

	High	Low	Close	Prev.
Abitibi Cons.	19.90	19.30	19.90	19.15
Alberta Energy	28.15	27.80	27.90	28
Alcan Alum	39½	39	39.10	39¾
Anderson Expl	14.80	14.10	14¼	14.20
Bk Montreal	63¾	62.65	63.40	62.70
Bk Nova Scotia	66¼	66	66⅛	65.60
Barrick Gold	27½	26¼	27.35	26.85
BCE	48¾	48	48.15	48.25
BC Telecomm	44¼	43⅞	44.10	43.65
Biochem Pharm	29½	29¼	29½	30.95
Bombardier B	29.80	29.70	29.70	29¾
Cameco	47	45	46½	45¼
CIBC	45.20	44¼	45.05	44.20
Cdn Natl Rail	66.30	65.85	66.30	65.70
Cdn Nat Res	31¼	30½	30.80	31.35
Cdn Occid Pet	32.90	32.40	32.55	32½
Cdn Pacific	38	37.60	37.90	37.70
Cominco	21	20¾	21	20.70
Dofasco	23½	23.30	23.35	23.20
Domtar	10	10	10	10
Donohue A	25¾	25.65	25.70	25.65
Du Pont Cda A	35.30	35.05	35.05	35.30
EdperBrascan	26½	25.90	25.90	26.10
EuroNev Mng	19.45	19	19.30	19¾
Fairfax Finl	320	315	315	320
Falconbridge	18½	18¼	18.30	18.20
Fletcher Chall A	19½	19	19⅛	19
Franco Nevada	28¾	28	28¼	28
Gulf Cda Res	9.85	9.55	9.80	9.60
Imperial Oil	92.05	91½	91⅞	91.65
Inco	24.90	24.55	24.70	24.85
IPL Energy	65	64.15	65	64.15
Laidlaw B	19.40	19.20	19.40	19¼
Loewen Group	35¾	34¼	35.20	35.10
Macmill Bld	15.30	15.10	15.10	15¼
Magna Intl A	88.60	87¾	88.60	88
Methanex	11½	11.10	11¼	11.05
Moore	21.95	21½	21¼	21.55
Newbridge Net	49.95	48½	49	49
Noranda Inc	25.90	25.30	25½	25.70
Norcen Energy	16¼	16.10	16.10	15¾
Nthern Telecom	128¼	125½	126¼	126½
Nova	13¾	13.55	13¾	13.60
Onex	29	28.55	28¾	29
Pancdn Petm	21½	21¼	21.80	21.10
Petro Cda	26½	26.20	26½	26.35
Placer Dome	18.10	16.80	18	17½
Poco Petm	12.65	12.30	12.40	12.65
Potash Sask	118¼	117	118½	117.80
Renaissance	30.10	29½	29.90	30
Rio Algom	25	24	24.45	24½
Rogers Cantel B	13¾	13.05	13.11	13.10
Seagram Co	45.85	44.70	45.70	44.60
Shell Cda A	25¾	25.05	25.70	25½
Suncor	49.70	48.55	48.95	49½
Talisman Eny	44.15	43¾	43.60	44
Teck B	22¼	21¾	22	22.40
Teleglobe	43½	43	43¼	43½
Telus	31.30	30.80	31.30	30.90
Thomson	39½	39.10	39¾	39.65
TorDom Bank	54.20	53.60	53.90	53.65
Transalta	22.85	22.60	22.65	22¾
TransCda Pipe	31.40	31.15	31¼	31.20
Trimark Finl	66½	65½	65¾	64.90
Trizec Hahn	33¾	33.10	33.30	33.60
TVX Gold	4.70	4.30	4.65	4½
Westcoast Eny	32.40	32¼	32¼	32.35
Weston	122	121	122	122

Vienna

ATX index: 1294.94 — Previous: 1284.61

	High	Low	Close	Prev.
Bank Austria	648	636	641	638
Boehler-Uddeh	777	740	740.50	735
Creditanst Pfd	709	695.10	708	705
EA-Generali	3319	3270	3319	3290
EVN	1678	1645	1660	1650
Flughafen Wien	504	501.15	502	505
OMV	1772	1720	1750	1745.90
Oest Elektriz	1350	1315	1340	1330
VA Stahl	504	476	487	480
VA Tech	1918	1884	1918	1850
Wienerberg Bau	2425	2400.05	2425	2416

Wellington

NZSE-40 index: 2292.29 — Previous: 2258.97

	High	Low	Close	Prev.
Air N Zealnd B	3.45	3.40	3.40	3.45
Brierly Invt	1.21	1.21	1.21	1.21
Carter Holt	2.68	2.57	2.65	2.55
Fletch Ch Bldg	3.55	3.52	3.52	3.50
Fletch Ch Eny	6.13	6.07	6.07	6.14
Fletch Ch Forst	1.44	1.41	1.43	1.40
Fletch Ch Paper	2.18	2.15	2.17	2.15
Lion Nathan	3.83	3.80	3.83	3.80
Telecom NZ	8.27	8.05	8.26	8.05
Wilson Horton	10.50	10.50	10.50	10.20

Zurich

SPI index: 3889.56 — Previous: 3849.71

	High	Low	Close	Prev.
ABB B	1861	1829	1849	1815
Adecco B	411	395	403	400.50
Alusuisse R	1412	1393	1402	1386
Ares-Serono B	2490	2440	2470	2480
Atel R	820	780	820	800
Baer Hdg B	2715	2685	2715	2675
Baloise Hdg R	2748	2715	2715	2712
BK Vision	1486	1470	1484	1477
Ciba Spec Chem	175	172.25	173	173.50
Clariant R	1214	1181	1212	1200
Crd Suisse Gp R	227.75	224.75	227.25	225.75
Elektrowatt B	544	530	530	544
Ems-Chemie	7290	7205	7205	7230
ESEC Hdg	3770	3700	3770	3725
Holderbank B	1207	1175	1198	1195
Liechtenst LB B	571	568	571	569
Nestle R	2195	2164	2192	2164
Novartis R	2375	2307	2372	2294
Oerlikon Buehr R	205	200.50	204.50	200.75
Pargesa Hld B	1820	1800	1820	1780
Pharma Vision B	909	898	905	900
Richemont A	1605	1583	1605	1580
Pirelli PC	314	310	312	310
Roche Hdg PC	14450	14230	14400	14295
SBC R	461	455	458.50	459
Schindler PC	1544	1515	1544	1512
SGS B	2800	2749	2765	2785
SMH B	791	780	791	785
Sulzer R	933	915	922	924
Swiss Reins R	2745	2696	2714	2710
SAir Group R	2020	1984	1999	1992
UBS B	2143	2111	2128	2135
Winterthur R	1700	1575	1650	1700
Zurich Assur R	703	697	699	695

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	172.55	+2.04	+1.20	+15.69
Regional Indexes				
Asia/Pacific	96.20	+1.40	+1.48	−22.06
Europe	193.58	+1.19	+0.62	+20.09
N. America	216.63	+3.68	+1.73	+33.75
S. America	152.20	+2.81	+1.88	+33.01
Industrial Indexes				
Capital goods	207.28	+3.51	+1.72	+21.27
Consumer goods	209.43	+1.90	+0.92	+29.73
Energy	196.32	+2.04	+1.05	+15.00
Finance	123.20	+1.36	+1.12	+5.79
Miscellaneous	149.94	+3.81	+2.61	−7.31
Raw Materials	175.42	+11.04	+6.72	+0.02
Service	175.42	+2.37	+1.37	+27.75
Utilities	168.32	+0.59	+0.35	+17.33

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

See our **Entertainment** every Wednesday in The Intermarket

NYSE

Tuesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

A-B-C

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
40½	24¼	AAR	.48	1.2	24	601				
31½	17	ABM	.48f	1.5	26	135				
24⅞	18¼	ABN Am n	.56e	2.8	–	512				
101⅛	56	ACE Ltd	.96f	1.0	12	2885				
11¼	10	ACMIn	.90a	8.2	–	823				
8⅝	7	ACM Op	.63	7.8	–	156				
10¼	8½	ACM Sc	.90	8.9	–	1014				
7	6⅛	ACMSp	.57	8.5	–	944				
15	12½	ACMMD	1.35e	10.2	–	387				
10½	9¼	ACM MI	.90a	8.9	–	159				
24¾	14	ACNiels	–	–	44	1871				
27½	17⅝	ACX Tech	–	–	–	328				
49⅝	21½	AES Cp s	–	–	46	3657				
73¾	48	AES pfT	2.69	3.8	–	640				
57⅛	37	AFLAC	.46	.9	17	981				
36⅝	25	AGCO	.04	.1	11	3541				
21⅞	17¼	AGL Res	1.08	5.2	15	552				
25⅞	20	AMF n	–	–	–	225				
[illegible]										

[illegible]

D-E-F

[illegible]

G-H-I

[illegible]

J-K-L

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M-N-O

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Continued on Page 16

Bankruptcies

Beijing Tightens C... 'Harmful' Inter...

1 Million Layoffs Seen in Indonesia

REED: British-Dutch Pub...

Continued from Page 11

CHINA: Beijing Cuts '97 Gr...

Continued from Page 11

هكذا من الأصل

Bankruptcies Devastate Korea's Company Towns

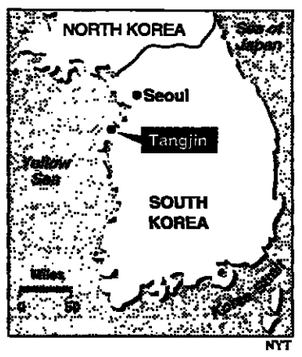
By Seth Faison
New York Times Service

TANGJIN, South Korea — In a company town, the common assumption is that the company itself is as solid as bedrock.

In South Korea, company towns became so prevalent in recent years that they recalled a bygone era in the United States. Yet today, big companies are falling bankrupt so fast that the country is littered with towns like this one, devastated by the sudden loss of the local economic engine that provided an area with its identity as well as its livelihood.

In Tangjin, a typical Korean town of 40,000 residents, many are still in shock over the collapse of nearby Hanbo Steel Co., the nation's second-largest steelmaker.

It is an economic disaster, felt by almost everyone here. But on top of that, many residents said they are finding it hard to accept the notion that big companies as a way of life — in South Korea, conglomerates are credited with fueling the nation's tremendous growth in the last 20 years — may be a thing of the past.



"No one thinks big companies are infallible anymore," said Kim Jong Kuen, 29, a Hanbo employee.

"When I graduated from school, we all wanted to work at a big company. It was about image, a way to impress people."

Image may have been foremost in the minds of many young men who went to work at a big company — known here as *chaebol* — but they also settled into the high pay, rock-hard job security and professionalism that came along with it. No longer.

Although Hanbo is one of more than 15,000 company bankruptcies this year, and in many ways represents the quintessential chaebol story, it is also a special case. Some South Koreans consider Hanbo and its chairman responsible for triggering the whole financial disaster that has enveloped their country.

When a court began administering Hanbo's affairs, it gradually became clear that its chairman, Chung Tae Soo, had borrowed more than $6 billion, a hefty sum for a company with about $500 million in revenue this year. Investigators determined that Mr. Chung could never have secured the loans without government help.

The more Hanbo's affairs were exposed, the worse they turned out to be. By June, Mr. Chung was jailed for having brazenly bribed government officials, customarily hiding stacks of cash inside a crate of apples that his chauffeur would deliver.

In court receivership, Hanbo still labored to make steel, although construction was halted on the second half of its plant. But in the autumn, when many Southeast Asian customers canceled orders for steel, Hanbo went from bad to worse.

By November, Hanbo had let go 8,000 workers from its 10,000-member staff.

Seth Faison/The New York Times

Businesses in Tangjin are suffering after the failure of Hanbo Steel, the town's largest employer.

The scandal involving Mr. Chung, which enveloped several legislators and the son of President Kim Young Sam, led lawmakers to investigate loan practices and bribery at other big companies, fueling a financial panic and drastically affected lending by banks.

By December, 45 companies were filing for bankruptcy each day.

Mr. Chung was sentenced to 15 years in prison for bribery, and on Friday an appeals court upheld his conviction and sentence.

As financial troubles spread all over South Korea, people in Tangjin began to see that Hanbo's troubles were not unique.

"At first I thought it was all the chairman's fault," said Kim Young Shik, 22, a machinery repairman at Hanbo. "But then I started to see that this was how the chaebol did business. Mr. Chung was just trying to protect the company. The problem lies in the whole system."

Inside Hanbo's cavernous steel plant, a lone executive ushered a reporter into a bare conference room.

"I am sorry I cannot offer you tea," said the executive, In Don Hong. "But there is no one here to serve it. We dismissed all those people."

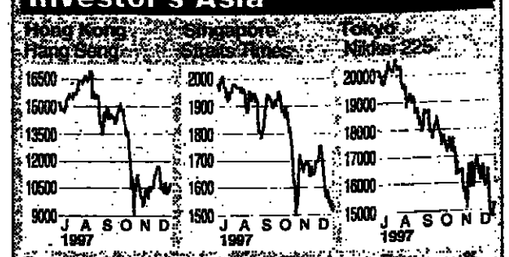
He said the company would try to produce 2 million tons of steel in 1998, down from its original projection of 5 million tons.

Back in Tangjin, shopkeepers and restaurant owners and pool-hall managers complained that their businesses had suffered drastically. In addition to Hanbo plant, several other factories near the town have closed.

Although store owners are desperate for customers they, too, are prone to the defensive crouch that many Koreans seem to have adopted, saying that if everyone simply saves more and spends less, the country will emerge from its troubles.

"We have to be frugal," said Oh Hae Ryun, 39, who runs a cosmetics store in Tangjin. "If everyone can conserve more and spend less, we'll get through this."

Investor's Asia



Exchange	Index	Thursday Close	Friday Close	% Change
Hong Kong	Hang Seng	10,722.21	10,502.39	+2.40
Singapore	Straits Times	1,512.83	1,517.94	-0.20
Sydney	All Ordinaries	2,691.40	2,666.90	+0.95
Tokyo	Nikkei 225	15,258.76	14,775.22	+3.27
South Korea	Composite	588.39	568.86	+3.65
Bangkok	SET	363.32	358.77	+1.97
Seoul	Composite Index	Closed	675.15	
Taipei	Stock Exchange Index	8,149.27	8,078.65	+0.88
Manila	PSE	Closed	1,869.83	
Jakarta	Composite Index	401.71	398.01	+0.93
Wellington	NZSE-40	2,282.39	2,250.57	+1.42
Shanghai	Composite Index	1,037.71	1,022.79	+1.46

Source: Telekurs — International Herald Tribune

Very briefly:

- **HSI Services Ltd.**, the company that compiles Hong Kong's Hang Seng stock index, said **China Light and Power Holdings Ltd.** would replace **China Light and Power Co.** as a renamed constituent of the index.
- **The State Bank of Pakistan's** governor, Mohammed Yaqub, dismissed market expectations of a devaluation of the rupee, saying the central bank had no plans to do so.
- **Sakura Bank Ltd.**, said it would unveil a restructuring in January, but would not comment on a newspaper report that it might close about half of its overseas branches.
- **South Korea's** high-speed rail project, which includes cars made by the French-British engineering company **GEC Alsthom**, is likely to be postponed as aides of President-elect Kim Dae Jung review the feasibility of the country's biggest civil engineering project, said Chang Che Shik, a member Mr. Kim's economic task force. *Reuters, Bloomberg, AP*

Beijing Tightens Controls Of 'Harmful' Internet Use

Reuters

BEIJING — China clamped new controls on the Internet on Tuesday, warning that the network was being used to leak state secrets and to spread "harmful information."

Regulations unveiled by Zhu Entao, assistant minister for public security, cover a wide range of crimes, including political subversion and spreading pornography and violence. The rules are also designed to protect against computer hacking, viruses and other computer-related crime.

They call for unspecified "criminal punishments" and fines of up to 15,000 yuan ($1,800) for Internet providers and users who violate the rules. The penalties would apply to individuals and businesses.

One regulation says the Internet must not be used to "split the country," a reference to separatist movements. Another on "defaming government agencies" appears designed to combat use of the Internet by dissidents.

The Xinhua news agency quoted Mr. Zhu as telling a press conference Monday that Internet links since 1994 had boosted China's cultural and scientific exchanges with the world. "But the connection has also brought about some security problems, including manufacturing and publicizing harmful information, as well as leaking state secrets through the Internet," he said.

The regulations, contained in 25 articles, took effect Tuesday. They go beyond earlier provisional regulations first promulgated in February 1996 and revised in May 1997.

Hong Kong Internet surfers and providers will not be affected by the new controls, according to Anthony Wong, director-general of the territory's telecommunications.

"Hong Kong will regulate its own Internet," he said, adding that the regulations in Hong Kong would not apply in China and those in China would not apply in Hong Kong.

1 Million Layoffs Seen in Indonesia

The Associated Press

JAKARTA — An estimated 1 million people may have lost their jobs this year because of the economic crisis in Indonesia, an Indonesian Chamber of Commerce and Industry official was quoted as saying Tuesday.

"A source at the Ministry of Labor said probably the dismissals of workers by the end of this year could number 1 million," Aburizal Bakrie, the general chairman of the chamber, was quoted by the newspaper Kompas as saying.

Labor Ministry officials were not immediately available for comment. Indonesia has a work force of about 91 million.

Malaysia to Urge Finance Firms to Merge

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malaysia is stepping up the pressure on its nearly 40 finance companies to merge, a strategy it hopes will rejuvenate the once-booming industry as the economy shrinks and loan curbs begin to take effect, analysts said Tuesday.

Bank Negara Malaysia, the country's central bank, will soon unveil a plan to encourage the finance companies to merge, a spokeswoman for the bank said Tuesday.

The plan, which could be announced this week, will name "what finance companies we think should merge," she said. "We are giving the green light."

The companies involved would be left to decide which companies they would negotiate mergers with, she said. The central bank expects that there could be "five or six, or seven" finance companies as the merger core, the spokesperson said.

The move underscores the crisis in Malaysia, where the ringgit has declined 35 percent, the economy has slowed and the stock market has been battered. In addition, interest rates have soared, eating into banks' profit margins.

"They have to be forced to merge because of rising costs," said Angie Ang, a banking analyst at Caspian Research Sdn.

A regional economic slump fueled by currency devaluations has deeply depressed growth prospects for finance companies. Malaysia has seen gross domestic product growth of more than 8 percent for the past decade, but expects growth to slow to between 4 percent and 5 percent in 1998. *(Reuters, Bloomberg)*

A Toyota Plan to Make Luxury Cars in U.S.?

Compiled by Our Staff From Dispatches

TOKYO — Toyota Motor Corp. is considering manufacturing luxury cars at plants in the United States, beginning as early as 2000, Japan's leading business daily reported Tuesday.

Toyota may make a luxury sport-utility vehicle, introduced early this month in Japan as the Harrier, in a plant in Indiana, the daily Nihon Keizai Shimbun said.

Toyota's offices were closed Tuesday for the New Year's holiday and company officials were not available for comment.

Toyota has been steadily increasing production in the United States, partly as a way to ease criticism over Japan's huge trade surplus. Auto exports account for the biggest share of the surplus and have been growing.

The plan is part of Toyota's continuing efforts to increase its overseas output despite the recent fall in the yen, which has made Japanese-made cars more competitive in overseas markets, Nihon Keizai Shimbun said.

Toyota is building a $700 million plant south of Princeton, Indiana, and already plans to produce about 100,000 T100 pickup trucks annually when it opens in the fall of 1998. The plant will employ about 1,300 workers. The company would have to build a second production line at the plant to make the sport-utility vehicle, the paper said.

It said Japan's largest automaker also might produce a luxury sedan in the United States. *(AP, Reuters)*

Vietnam Reports Slowdown in Economy

Reuters

HANOI — Vietnam's economic growth slowed to 9.0 percent in 1997 from 9.3 percent the previous year, while the trade deficit narrowed to $2.35 billion, down 39.6 percent from 1996, the government said Tuesday.

The General Statistics Office said imports since January were worth $11.2 billion, up 0.5 percent from the same period last year, and exports rose 22 percent to $8.85 billion. A main foreign-exchange earner in 1997 was coffee, with an estimated 404,000 tons exported, up 42.8 percent from 1996.

U.S. Executives Still Favor Asia

Bloomberg News

NEW YORK — Asia, led by China, is the No. 1 region outside the United States that corporate tax and finance executives will be investing in over the next five years, according to a new survey by Ernst & Young.

In a survey of 400 executives last month, 38 percent said Asia will be the most important emerging market region over the next five years, and 34.5 percent said China was the top country they would be investing in.

Further, 60 percent of respondents said that recent currency fluctuations in Southeast Asia would have only a moderate impact on their operations in 1998.

The second-most popular investment region for executives in the survey was Latin America, with 24 percent of respondents saying most of their investment outside the United States would go there. Accordingly, 22.9 percent of respondents said Brazil would be the main beneficiary of their funds, Ernst & Young said.

REED: *British-Dutch Publisher's Aggressiveness Breeds Mounting Concern Among Its Customers*

Continued from Page 11

ies, which buy about 95 percent of Reed's science journals, have been accepting price increases on subscriptions that have averaged in the double-digit range for years. And renewal rates for those subscriptions run at a rate well above 90 percent.

Indeed, Purdue may prove a mere crack in what remains very strong demand from the professionals — lawyers, accountants, doctors, scientists, academics — that consume the information Reed Elsevier provides.

The merger news is only the latest sign of the company's confidence in its strategy for growth: It furthers a consolidation move in the publishing and information-service business, a wave that Reed Elsevier has been aggressively riding, particularly in the United States, where demand for the sort of information it sells is strongest.

In June, the company spent $447 million to buy Chilton Co. from Walt Disney Co. Reed plans to fold Chilton's 39 trade magazines into its existing trade-magazine group, Cahner's Publishing Co., to build a library of 130 journals worldwide.

Earlier, it struck a deal to acquire MDL Information Systems Inc., a California company that sells databases and software to scientists in the pharmaceutical and chemical fields. Last year it agreed with Times Mirror Co. to form a joint venture to buy Shepard's, the legal publisher, from McGraw-Hill Inc.

Neither Reed nor Wolters Kluwer has slowed down since their merger was announced. On Dec. 8, Thomson Corp., a competitor of Reed Elsevier, said it had agreed to sell its Thomson Science subsidiary, which publishes books and journals, to Wolters Kluer. Terms were not disclosed.

Days after that deal was announced, Elsevier Science said it had agreed to buy Beilstein Informationssystem GMBH, a chemical data base and handbook, from the nonprofit Beilstein Institute. The product will be marketed, sold and supported by MDL Information Systems.

Nigel Stapleton, co-chief executive of Reed Elsevier and one of three executives who will run the combined company, to be called Elsevier Wolters Kluwer NV, if the merger is approved, has no intention of stopping.

"There is a lot left to buy," he said, "particularly if you subscribe to the view that in a technology environment, scale is more important that it ever has been."

He added, "Clearly, in the electronic world you need to make bigger bets than in the hard-copy world, because the costs are higher and the marketplace is global. Also, when you are investing in new technology, the success rate is by no means as sure as when you are increasing the distribution reach of the hard-copy type."

That view pleases securities analysts, who say that what Reed is doing makes economic sense. But it greatly disturbs some of the company's customers, who say consolidation is stifling competition and driving up prices.

"Journals can raise prices faster than we can raise money to pay for them," lamented David Shulenburger, provost of the University of Kansas. "Reed's merger with Wolters Kluwer makes this worse, because there will be fewer non-Reed outlets."

If its merger with Wolters Kluwer is approved, Reed's position in scientific publishing, its highest-margin business, will be somewhat enhanced. According to analysts, among commercial publishers Reed currently has about 15 percent of the market, Wolters-Kluwer about 3 percent.

Still, the combination will far outdistance the next-biggest player, Blackwell, which has about 4 percent of the market. Not-for-profit scientific societies, which used to dominate the field and charge fairly high subscription rates themselves, continue to be important publishers of science journals.

While Wolters Kluwer's science assets were an attraction, the real key to the merger seems to be CCH, the venerable, family-owned business law and tax publisher that Wolters Kluwer bought in 1995 for $1.9 billion in cash. Reed owns Lexis/Nexis, which, along with its rival West Publishing, a division of Thomson, is a leading deliverer of legal information.

Until now, however, Reed has owned very little of the content it provides. With CCH, that will change.

"All the megamergers have been driven by content and distribution," said a securities analyst in London, who insisted on not being identified. "Reed is strong in delivery. And CCH is very rich in legal content."

Given the size and sprawl of the merged company, analysts and antitrust lawyers said it was likely that regulators in either Brussels or Washington, or perhaps both, may require some divestitures before signing off on the deal.

CHINA: *Beijing Cuts '97 Growth Forecast and Restores Tax Break*

Continued from Page 11

quarter fell as low as 8 percent, compared with 9.4 percent in the first quarter, according to the figures.

According to the bureau spokesman, two main problems cut a percentage point from 1997 growth — weaker-than-predicted agricultural production and supply outstripping demand for the country's industrial products.

Qiu Xiaohua, the bureau's senior economist, said the government would speed up housing reforms and investment in poorer western regions as ways to stoke growth next year.

Other economic indicators paint an encouraging picture. Exports rose 20 percent, against a one-percent rise in imports, and the trade surplus reached a record $40 billion. Foreign exchange reserves hit $140 billion, the spokesman said.

Retail inflation fell from a 1994 peak of 21.7 percent to 0.8 percent, while consumer price rises — which also include the price of services — slid to 2.8 percent. But the lower price levels may signal weaker economic activity ahead. The country's central bank moved to lower interest rates at the end of October.

While foreign investment rose 13 percent during the year, promises of new investment plummeted 28 percent during the first 10 months to $48.7 billion, the State Statistics Bureau spokesman said.

He said this drop-off was normal after the huge influx of foreign capital in recent years. But the Asian financial crisis will make overseas investors more cautious toward Asia, and investment could fall in China in 1998, he warned.

Collectively owned rural enterprises increased their production 11 percent for the year, the spokesman said, a drop of 5 to 6 percentage points from 1996.

Unprofitable state-owned enterprises, for their part, accumulated 70.5 billion yuan ($8.48 billion) in losses, although profits of other state enterprises more than compensated. By the end of the year, 12 million workers had been laid off by state enterprises, but from 5 to 6 million have found new work," he said. *(AFP, AP, Bloomberg, Reuters)*

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NASDAQ

Tuesday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close

(Continued)

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December 30, 1997

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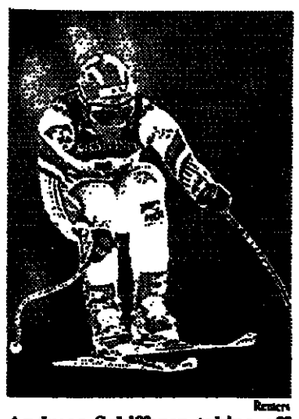
Herald Tribune
SPORTS

WEDNESDAY, DECEMBER 31, 1997
THURSDAY, JANUARY 1, 1998

WORLD ROUNDUP



Reuters

Andreas Schifferer taking off Tuesday on his way to victory.

Schifferer Conquers Bormio Downhill

SKIING Andreas Schifferer won his second men's downhill of the season Tuesday and knocked a fellow Austrian, Hermann Maier, from the top of the downhill standings.

Schifferer tamed the icy Stelvio piste in Bormio, Italy, in 2 minutes 1.44 seconds to beat another Austrian, Werner Franz. Lasse Kjus of Norway prevented an Austrian sweep by taking third place in 2:02.10.

Maier missed a podium finish for only the second time in nine races this season. He finished fourth, in 2:02.19, and still leads the overall standings. *(Reuters)*

No Graf in Australian Open

TENNIS Steffi Graf, the former world No. 1, has withdrawn from the Australian Open in January. Graf withdrew because of persistent injury problems, Paul McNamee, the tournament director, said Tuesday. *(Reuters)*

Enis Will Turn Pro

FOOTBALL Curtis Enis, the All-America running back, is leaving Penn State University to enter the National Football League draft.

Enis is suspended for the school's appearance in the Citrus Bowl after allowing Jeff Nalley, a sports agent, to buy him a suit of clothes. Enis violated NCAA rules when he took the suit. He also lied to Joe Paterno, the Penn State coach, about it. Enis, a junior, rushed for 1,363 yards and 19 touchdowns this season. *(AP)*

Sky Hook or Left Hook?

BASKETBALL Kareem Abdul-Jabbar, the retired basketball star, has been charged over a confrontation at a West Los Angeles minimall last spring.

Abdul-Jabbar, 50, who retired in 1989, is accused of attacking a man and has been charged with one count each of battery and false imprisonment.

• Corliss Williamson of the Sacramento Kings and Derrick Coleman of the Philadelphia 76ers were suspended and fined by the NBA for fighting during a game.

Williamson was suspended without pay for three games and fined $15,000, and Coleman was suspended without pay for two games and fined $10,000. *(AP)*

The Year in Sports: It's Not Over, and Won't Be for Months

International Herald Tribune

Vantage Point/**IAN THOMSEN**

This was a year of false resolutions in sports. Much was contested but little was decided. In many cases judgment must be postponed until more information comes in.

Look at it this way: there's no need for sentimentality or loneliness this New Year's Eve. Just think of it as halftime. Now, 1998, *that* is going to be a year:

• The usual suspects all survived this year's soccer World Cup qualifying rounds — Germany, Italy, Argentina and even England will all be in France along with automatic qualifiers France (as host) and Brazil (as defending champion). Now comes the more important question. Are any of them going to follow through by winning the cup? All of them could be vulnerable to an underdog that copes with the pressure better and hits a hot streak.

• Elvis Stojko of Canada, the explosive jumper, and the 75-pound (34-kilogram) Tara Lipinski, the 14-year-old American with light-as-feather landings were the best skaters in the world in 1997. They are the world champions. Now they face a sterner test: Can they win figure skating gold medals at the Winter Olympics in February at Nagano, Japan?

• Michael Jordan won his fifth NBA championship last year. Can Jordan, who seems likely to retire next summer at 35, go out with a third consecutive title and sixth overall, giving him more championships than every great basketball player but Bill Russell?

• Will Tiger Woods be able to extend the sense of dominance that carried him through this year's record victory at the U.S. Masters? By his standards he was gasping for air over the latter half of his first full professional year. He must try to be as monstrous next August as he was last April.

• Did Michael Schumacher's year-ending crash in Spain mark the end of his short reign as the world's greatest driver? In a last-ditch attempt to win the 1997 Formula One championship, he tried unsuccessfully to ram his rival Jacques Villeneuve off the road. Will the humiliation steel him to become better than ever? (Or has Formula One become such a sham as to make these questions irrelevant?)

• Was this year a temporary setback — lost with the thigh injury he suffered in his 150-meter exhibition against Donovan Bailey of Canada — for Michael Johnson? Or will the next year be spent trying to elevate a new glamorous star for track and field?

Many American sports were in transition this year. The National Hockey League helped sponsor the first ice hockey World Cup, won by the United States in an upset over the Canadians, as it prepared to shut down for more than two weeks in February in the hopes that the debut of its professionals at the Winter Olympics will give the sport a worldwide "Dream Team" boost.

ONE of the great NFL mainstays, the Green Bay Packers, won their first Super Bowl in 29 years last January, but the current season has pointed out the difficulties the league is having with free-agent turnover and franchise relocations. Such problems are minor compared with those of major league baseball, which culminated in an October rarity — a disappointing World Series. (Which, of course, is still better than no World Series at all.) No sooner had the Florida Marlins put together a championship team in their fifth year of existence, than the franchise was being put up for sale along with several key players, like a circus on its last legs.

The European Cup went to Borussia Dortmund of Germany in a 3-1 upset of the defending champion, Juventus.

Over the summer, Eric Cantona retired and yet Manchester United won more games than any other team in the fall Champions League — making it the favorite, at least with English bookmakers, to become the first English champion of Europe since Liverpool last succeeded in 1984.

A few issues required no further discussion. Fourteen times tennis players from the Top 10 tried to beat Pete Sampras this year, and 13 times they lost. Sampras finished as world No. 1 for the fifth year in a row, equaling the record of Jimmy Connors. He was voted the top player of the ATP Tour's first 25 years. He won two more Grand Slam tournaments — including Wimbledon for the fourth time in five years — and needs just three more to break the record of Roy Emerson.

When Sampras suffered a calf injury in his opening match of the Davis Cup final, the host Swedes had little doubt of their impending victory.

Perhaps Ronaldo will affirm his great talents at the World Cup, but until he does, Sampras and Jordan are alone at the top of the sports world.

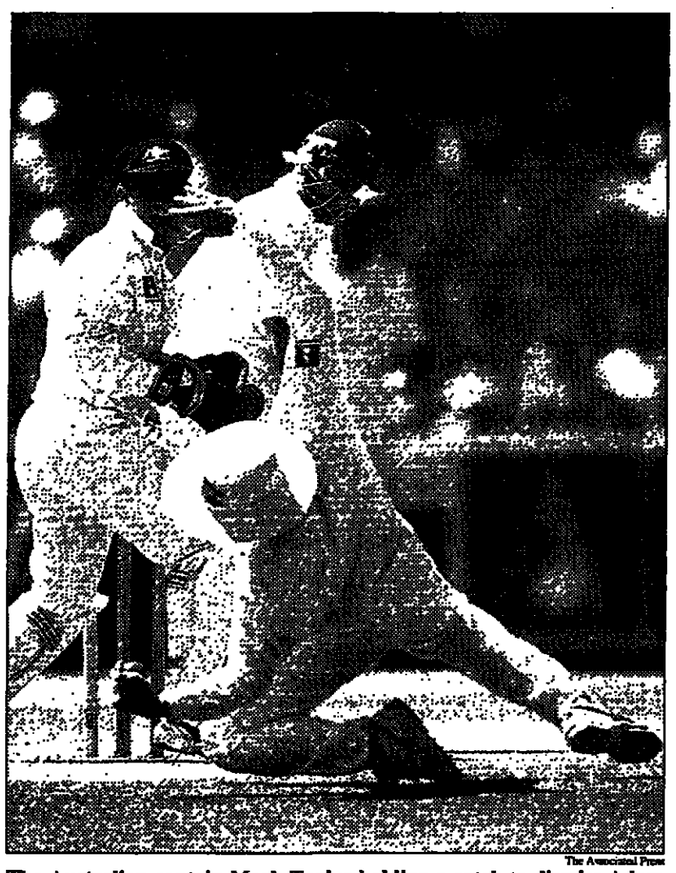
The proudest victory was Europe's in the Ryder Cup, as the sum of its parts overcame the Americans, who had spent the preceding months winning all of the important individualistic tournaments.

The best team in the world was probably the All Blacks of New Zealand, who regained the bullocking runs of Jonah Lomu, recovered from a life-threatening kidney disease, to make themselves favorites to win the 1999 Rugby World Cup in Britain.

Another sure thing was the destruction of Mike Tyson. He will continue to earn dollars in the tens of millions, but he will no longer be compared to Muhammad Ali or Joe Louis.

The most remarkable example of misplaced priorities surfaced as the entire world was horrified that Tyson would chew up Evander Holyfield's ear — a sliver of ear spat on the ground being no match for the damage the two of them were trying to inflict on each other's brains.

Listen carefully to Holyfield speaking. The signs, very sadly, are there already.



The Associated Press

The Australian captain Mark Taylor holding a catch to dismiss Adam Bacher of South Africa in the first test Tuesday. The match was drawn.

Timely 101 Rescues South Africa

Reuters

MELBOURNE — South Africa survived a tense final session to draw the first test against Australia on Tuesday after Jacques Kallis inspired his side with a marathon century.

The South Africans survived 122 overs in their second innings on an absorbing fifth and final day.

Kallis batted for six hours to score 101 as South Africa reached 273 for seven wickets at close of play, 108 runs shy of the victory target. South Africa had long abandoned any attempt to chase the 381 runs it needed.

The Australian leg-spinner Shane Warne provided the greatest threat on a deteriorating wicket, taking three wickets, including Kallis, in 44 overs for 97 runs.

Feeble Goliath Faces Wealthy David To Give the Oldest Cup a New Twist

International Herald Tribune

Soccer / **ROB HUGHES**

LONDON — The House of Intrigue versus the House of Harrods was perhaps never quite what the founders of England's FA Cup competition had in mind. They began the mother of all soccer knockout tournaments 125 years ago, in a bygone era when sport was sport.

Today, it is business. The FA Cup bears a sponsor's title, Littlewoods Pools, although the Football Association bars players from betting on matches. The match of this round is in London next Monday when Tottenham Hotspur, a major club riven by intrigue, meets Fulham, a romantic old club on the banks of the River Thames, recently purchased by Harrods' Egyptian owner, Mohamed al Fayed.

A vestige of traditional Cup glamour is assured. Both are London teams, both graced past FA Cup finals, though Tottenham are eight-time winners while Fulham remains grateful merely to have been to Wembley Stadium once as a beaten finalist. They occupy the same city, yet while the Spurs of Tottenham regard themselves as ruling class, the Cottagers of Fulham are more homely, living on sepia memories of their 118-year history.

Until a few months ago, Tottenham versus Fulham would have been the David versus Goliath matchup of FA Cup lore. Fayed's purse changes that somewhat. Today, his team runs two leagues below Tottenham, but the proprietor is reaching for the sky above Tottenham — for parity with Manchester United.

A tall order? You bet. Fayed consulted the chief executive of the Manchester United PLC to assess the aura, the organization, the power that makes United world soccer's worth more than $640 million. After the consultation, Fayed hired Kevin Keegan, a former England soccer captain with immense charisma, as chief operating officer, and Keegan hired Ray Wilkins, also once an England captain, as team manager. Wilkins has spent $10 million of Fayed's acquiring seven players — not much by top soccer standards. Tottenham's center forward Les Ferdinand cost that alone, but unprecedented in the division in which Fulham operates. If it works, and Fulham wins promotion this season, the two teams could meet in the league. Tottenham's season is in free fall. It seems to be in physical and mental decline. Should it continue, Tottenham versus Fulham could take place in the league sooner than even Fayed expected.

Right now, the match offers the perfect FA Cup plot: the small fry on the way up meeting big fish on the way down. Fayed will survey Tottenham's modern White Hart Lane home and think that ere long his team's new abode — currently a quaint riverside stadium where players change in a Victorian cottage — will rise on a scale akin to Manchester United's even grander palace at Old Trafford no halfway house, no half-measure. No time like next Monday to lay down a Cup marker.

TOTTENHAM'S equivalent to Fayed is Alan Sugar. Electronics, in the form of his Amstrad empire, has served Sugar better than the human beings who coach and play for Tottenham. Even so, he lectured Oxford students in October on the ineptitude of the FA administrators. "The FA," he said, "is like Madame Tussaud's. It's hard to tell the difference between the dummies and the real people."

Real people take holidays while their assets burn. Sugar is, or was, in Florida over Christmas period, having replaced Gerry Francis, the coach who spent $52 million on new players in vain, with Christian Gross, a trainer from Zurich. Gross, it was said a month ago, would teach the Tottenham prima donnas discipline.

Gross appears on the brink of a swift return to Zurich. His problems start with communication, and end at the Department of Employment which refuses a work permit to Fritz Schmid, his right-hand man and fitness expert. Rumors are building almost as high as the hidings Tottenham suffers — beaten 6-1 by Chelsea, 4-0 by Coventry, 4-1 by Aston Villa. Sugar is coming home swifter than he planned.

Reports claim that he appointed Gross on the recommendation of Jurgen Klinsmann, and then ate humble pie to resign Klinsmann, with whom he traded insults when the German walked out on Tottenham two years ago. The chairman also persuaded David Pleat, another former Spurs coach, to step out of his track suit and take on the business role of director of football. Klinsmann is back, but like all living things he is fighting age and, nearing 34, he needs goals to revive his hope of captaining Germany at the World Cup.

Significantly, both Bayern Munich and Sampdoria have off-loaded Klinsmann in the past six months, and Tottenham's rather desperate hope is that the old talisman can work anew. Maybe, he will be the go-between soothing the mistrust between Herr Gross and the English players. Or, maybe, suggest some, Klinsmann has come as the *replacement*, another new coach guided by Pleat while Gross and his Swiss aide, Schmid, retreat to take charge of Switzerland's national team.

Denials abound, as do wounding misinterpretations. On Boxing Day, different people at the club offered three disparate excuses for Ferdinand's absence from the team against Aston Villa: He had a virus, a leg injury or, as Gross saw it, a toothache. Anyway, Gross assured us, Ferdinand, Klinsmann and David Ginola would form a magnificent trio against Arsenal three days later.

Ferdinand didn't make it, and is out long term. He says he has a thigh strain. "I think I know my body better than anyone else," he reasoned. He blames Gross. "If I'd rested for a couple of days, I could have been fit for Sunday. But they wouldn't listen to me. I was made to train on Christmas Day, I felt the muscle tear. I'm really fed up, its messing up my chances of making the England squad."

A mess, indeed. The odds on Sugar's arriving home to a Cup of cheer are no better than his passing Gross and Schmid, who is already in London, at Heathrow International Airport.

Rob Hughes is on the staff of The Times of London.

Red Wings-Stars Standoff Still Stands

The Associated Press

With the National Hockey League season approaching the midway point, the Detroit Red Wings and the Dallas Stars still can't seem to settle the matter of who is No. 1.

The Red Wings and the Stars met Monday night in a heralded battle of the league's top two teams — and wound up with a 2-2 tie. They remained tied atop the Central Division, each with an NHL-best 56 points. The tie also extended season-best unbeaten streaks for both clubs. Detroit hasn't lost in its last seven games and Dallas in its last six.

Tomas Holmstrom gave Detroit a 2-1 lead with 6:28 left in the third period when he jammed home the rebound of a shot by Martin Dandenault. But Sergei Zubov tied it for Dallas just 1:06 later.

Both goalies were strong as Osgood made 30 saves and Dallas's Ed Belfour, an old Detroit nemesis, had 20.

Devils 3, Sabres 1 New Jersey scored twice on its first three shots to win at Buffalo.

Randy McKay scored 49 seconds into the game and Bill Guerin scored on a breakaway less than two minutes later as the Devils won their third straight over the Sabres this season.

Buffalo's goalie, Dominik Hasek, failed in his attempt to break a record with six shutouts in a month. Hasek has one game remaining, Wednesday against Ottawa.

Capitals 4, Blues 2 Adam Oates had a goal and an assist during a four-goal first period as Washington beat the visiting Blues, who played without the injured Brett Hull. The Capitals, who managed only eight goals in their last seven games, scored four times on 13 shots against the St. Louis goalie, Grant Fuhr, quickly erasing a 1-0 deficit.

Hull, whose 19 goals and 36 points lead the Blues, will miss 4 to 6 weeks after breaking his hand on Saturday.

Penguins 5, Islanders 1 In Pittsburgh, Ron Francis scored three times for his first multiple-goal game of the season as the Penguins beat the Islanders.

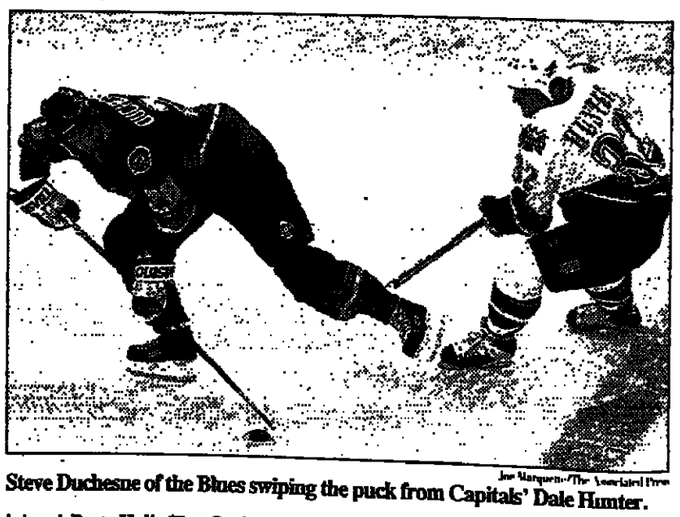
Lightning 2, Sharks 1 The backup goalie Derek Wilkinson stopped 29 shots and Dino Ciccarelli scored a rare Tampa Bay power-play goal as the Lightning beat visiting San Jose.

Avalanche 1, Canadiens 1 Patrick Roy stopped 32 shots as the Avalanche tied the visiting Canadiens for their 12th stalemate of the season.

The Avalanche pulled even with the New York Rangers for most ties in the league. The NHL record is 24 in a season, held by the 1969-70 Philadelphia Flyers.

Coyotes 5, Flames 3 Bob Corkum and Keith Tkachuk each scored twice to lead Phoenix to victory at Calgary.

Kings 5, Canucks 2 Jozef Stumpel and Craig Johnson each had a goal and two assists as Los Angeles extended the visiting Canucks' winless streak to five games.



Joe Marquette/The Associated Press

Steve Duchesne of the Blues swiping the puck from Capitals' Dale Hunter.

SCOREBOARD

BASKETBALL

MAJOR COLLEGE SCORES

North Carolina 97, Bethune-Cookman 46
Kansas 89, Vanderbilt 82
Stanford 70, Rhode Island 69
New Mexico 112, Holy Cross 61
Florida State 80, Southwestern Louisiana 71

TOURNAMENT FINALS

CESSNA CLASSIC
Wichita St. 79, Buffalo 69
FRANKLIN LIFE CLASSIC
Rider 64, Cent. Connecticut St. 56
GOLDEN BEAR CLASSIC
California 66, Va. Commonwealth 57
NCAC HOLIDAY FESTIVAL
Princeton 61, Niagara 52

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	19	9	.679	—
Orlando	17	12	.586	2½
New Jersey	16	12	.571	3
New York	16	12	.571	3
Boston	14	13	.519	4½
Washington	15	16	.484	5½
Philadelphia	7	20	.259	11½

CENTRAL DIVISION

Chicago	20	9	.690	—
Atlanta	19	10	.655	1
Indiana	18	10	.643	1½
Cleveland	17	10	.630	2
Charlotte	18	11	.621	2
Milwaukee	13	15	.464	6½
Detroit	13	17	.433	7½
Toronto	4	24	.143	15½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	18	11	.621	—
San Antonio	17	11	.607	½
Houston	15	11	.577	1½
Minnesota	14	14	.500	3½
Vancouver	10	19	.345	8
Dallas	5	24	.172	13
Denver	2	25	.074	15

PACIFIC DIVISION

Seattle	23	6	.793	—
L.A. Lakers	22	7	.759	1
Phoenix	17	9	.654	4½
Portland	17	10	.630	5
Sacramento	11	19	.367	12½
Golden State	7	20	.259	15
L.A. Clippers	6	24	.200	17½

MONDAY'S RESULTS

Washington	34	22	19	16— 91
New Jersey	24	35	24	16— 99

W: Webber 8-15 5-6 22, Howard 6-13 8-12 20; N.J.: Van Horn 10-19 10-10 32, J.Williams 7-12 5-7 19, Cassell 4-14 10-11 19. Rebounds—Washington 51 (Howard 8), N.J. 61 (J.Williams 22). Assists—Washington 17 (Strickland 10), New Jersey 16 (Cassell 9).

Dallas	25	29	23	28—105
Chicago	31	23	38	27—111

D: Finley 7-23 6-8 23, Bradley 8-15 2-2 18, Scott 7-17 2-2 18; C: Jordan 16-29 9-11 41, Kukoc 7-13 5-6 19. Rebounds—Dallas 48 (Bradley 10), Chicago 65 (Rodman 27). Assists—Dallas 14 (Pack 4), Chi. 24 (Rodman 8).

Charlotte	31	27	29	32—120
Houston	21	33	20	27—101

C: Wesley 12-17 6-8 32, Curry 8-14 1-1 23; H: Willis 9-18 6-8 18, Drexler 6-13 4-5 18. Rebounds—Charlotte 42 (Rice, Mason 8), Houston 40 (Barkley 12). Assists—Charlotte 32 (Wesley 8), Houston 25 (Barkley 9).

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	25	10	2	52	114	72
Philadelphia	21	10	7	49	107	85
Washington	17	15	8	42	109	108
N.Y. Rangers	12	17	12	36	104	112
N.Y. Islanders	15	19	5	35	104	111
Florida	14	20	5	33	101	115
Tampa Bay	8	23	7	23	68	115

NORTHEAST DIVISION

Pittsburgh	20	12	8	48	109	91
Montreal	20	15	6	46	115	98
Ottawa	18	17	4	40	99	90
Boston	17	16	6	40	99	101
Carolina	14	20	5	33	100	110
Buffalo	13	19	6	32	89	102

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	25	9	6	56	126	83
Detroit	24	9	8	56	139	98
St. Louis	22	14	6	50	122	103
Phoenix	17	16	7	41	112	109
Chicago	13	18	7	33	83	88
Toronto	13	19	5	31	85	109

PACIFIC DIVISION

Colorado	20	8	12	52	121	96
Los Angeles	16	16	6	38	110	108
Anaheim	13	19	7	33	92	120
San Jose	14	20	4	32	92	106
Edmonton	11	19	9	31	91	116
Calgary	11	22	8	30	104	125
Vancouver	11	22	6	28	109	133

MONDAY'S RESULTS

N.Y. Islanders	1	0	0—1
Pittsburgh	1	3	1—5

1st Period: P-Jagr 19 (Hatcher, Brown) (pp). 2. N.Y.-Berard 12 (Niemchinov) 2d Period: P-Francis 12 (Jagr, Barnes) 4, P-Francis 13 (Jagr, Barnes) 5, P-Lang 4 (Moran) 3d Period: P-Francis 14 (Jagr, Barnes) (pp). Shots on goal: N.Y.-8-4-8—20. P- 9-16-18—43. Goalies: N.Y.-Soin, Fichaud. P-Barrasso, Skudra.

New Jersey	3	0	0	3
Buffalo	1	0	0	1

1st Period: N.J.-McKay 15 (Andreychuk, Sounay). 2. N.J.-Guerin 5 (pp). 3. B-Peca 8 (Plante, Dawe) (pp). 4. N.J.-Thomas 6 (Zazel) 2d Period: None. 3d Period: None. Shots on goal: N.J.- 7-8-4—19. B- 7-8-8—23. Goalies: N.J.- Brodeur. B-Hasek.

St. Louis	1	1	0	2
Washington	4	0	0	4

1st Period: S.L.-Campbell 11 (Ribeiro) 2. W-Hunter 4 (Berube, Cote) 3. W-Brunette 1 (Kryger, Oates) (pp). 4. W-Zednik 12 (Eagles, Tinordi) 5. W-Oates 9 (Cote, Kryger) 2d Period: S.L.-Turcotte 5 (Dechesne, Pellerin) 3d Period: None. Shots on goal: S.L.- 7-8-4—19. W- 13-5-7—25. Goalies: S.L.-Fuhr. W-Kolzig.

San Jose	1	0	0	1
Tampa Bay	0	1	1	2

1st Period: S.J.-Marleau 7 (Matteau) 2d Period: T-Andersson 1 (Poulin, Dykhuis) 3d Period: T-Ciccarelli 8 (Ysebaert, Hamrlik) (pp). Shots on goal: S.J.- 11-10-9—30. T- 8-6-6—20. Goalies: S.J.-Vernon. T-Wilkinson.

Dallas	1	0	1	0—2
Detroit	0	1	1	0—2

1st Period: Dallas, Errey 2 (Verbeek, Hrkac) 2d Period: Detroit, Kozlov 12 (McCarty, Larionov) 3d Period: Detroit, Holmstrom 4 (Dandenault, Brown) 4, Dallas, Zubov 6 (Langenbrunner) Overtime: None. Shots on goal: Dallas, 15-7-7-2—31. Detroit, 6-8-8-0—22. Goalies: Dallas, Belfour. Detroit, Osgood, Hodson.

Montreal	0	1	0	0—1
Colorado	0	1	0	1—2

1st Period: None. 2d Period: M-Recchi 18 (Koivu, Carson) 2. C-Ozolinsh 5 (Lemieux, Corbet) (pp). 3d Period: None. Overtime: None. Shots on goal: M- 5-15-9-4—33. C- 6-12-8-0—26. Goalies: M-Thibault, C-Roy.

Phoenix	1	2	2	0—5
Calgary	0	2	1	2—5

1st Period: P-Corkum 5 (Numminen) (sh). 2d Period: C-Stillman 14 (Fleury, Albelin). 3. P-Corkum 6 (Stapleton) 4, C-Fleury 15 (Tkachuk, Stillman) 5, P-Isbister 6 (Tocchet, Roenick) 3d Period: C-Titov 10 (Stillman, Roloson) 7, P-Tkachuk 24 (Drake, Jonsson) 8, P-Tkachuk 25, (en). Shots on goal: P- 10-14-10—34. C- 4-4-3—13. Goalies: P- Khabibulin. C-Roloson.

Vancouver	0	1	1	0—2
Los Angeles	2	2	0	0—5

1st Period: L.A.-C.Johnson 7 (Norstrom, Stumpel) 2, L.A.-Murray 11 (Perreault, Blake) 2d Period: L.A.-Courtnall 3, 4, V.-Bure 24 (Messier) 5, L.A.-Rahilaille 14 (C.Johnson, Stumpel) 6, L.A.-Stumpel 11 (C.Johnson, Zmolek) 3d Period: V-Bure 25. Shots on goal: V- 12-12-12—36. L.A.- 11-15-6—32. Goalies: V-Irbe. L.A.-Fiset.

SKIING

WORLD CUP

MEN'S DOWNHILL
TUESDAY IN BORMIO, ITALY

1. Andreas Schifferer, Aust., 2 m., 01.44 s; 2. Werner Franz, Aust., 2:01.62; 3. Lasse Kjus, Nor., 2:02.10; 4. Hermann Maier, Aust., 2:02.19; 5. Hannes Trinkl, Aust., 2:02.50; 6. Bruno Kernen, Switz., 2:02.52; 7. Stefan Eberharter, Aust., 2:02.58; 8. Roland Assinger, Aust., 2:02.89; 9. Brian Stemmle, Can., 2:02.97; 10. Werner Perathoner, It., 2:03.04.

DOWNHILL (after 3 events): 1. Schifferer, 302 points; 2. Maier, 259; 3. Lasse Kjus, Nor., 197; 4. Franz, Eberharter, 172; 6. Kristian Ghedina, It., 156; 7. Assinger, 145; 8. Trinkl, 122; 9. Jean-Luc Cretier, Fr., 121; 10. Christian Greber, Aust., 99.

OVERALL (after 12 events): 1. Maier 639; 2. Eberharter 482; 3. Schifferer 401; 4. Von Gruenigen, Switz., 390; 5. Kjetil Andre Aamodt, Nor., 322; 6. Josef Strobl, Austria, 308; 7. Kjus 299; 8. Christian Mayer, Aust., 232; 9. Hans Knaus, Aust., 220; 10. Franz 216.

FOOTBALL

COLLEGE BOWL GAMES

HUMANITARIAN BOWL
Cincinnati 35, Utah State 19
CARQUEST BOWL
Georgia Tech 35, West Virginia 30
HOLIDAY BOWL
Colorado State 35, Missouri 24

CRICKET

AUSTRALIA VS. SOUTH AFRICA
FIRST TEST, FINAL DAY
TUESDAY IN MELBOURNE

Australia: 309 and 257
South Africa: 186 and 273 for seven
Test ended in draw.

SOCCER

ENGLISH PREMIER LEAGUE
Southampton 1, Chelsea 0

TENNIS

WTA RANKINGS

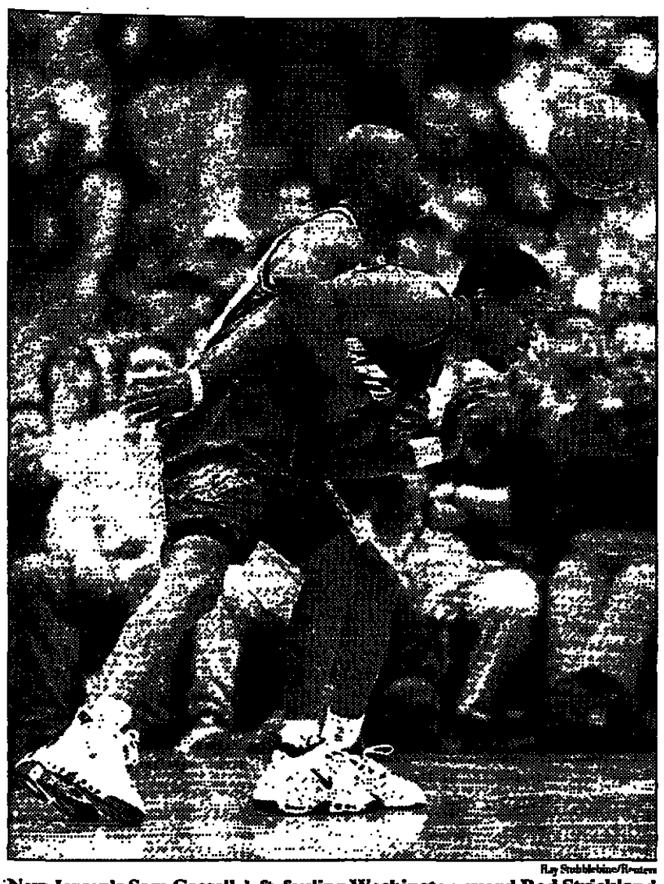
1. Martina Hingis, Switzerland, 6,264 points
2. Jana Novotna, Czech Republic, 3,711
3. Lindsay Davenport, U.S., 3,661
4. Amanda Coetzer, South Africa, 3,131
5. Monica Seles, U.S., 2,988
6. Iva Majoli, Croatia, 2,867
7. Mary Pierce, France, 2,861
8. Irina Spirlea, Romania, 2,494
9. Arantxa Sanchez Vicario, Spain, 2,317
10. Mary Joe Fernandez, U.S., 2,114
11. Nathalie Tauziat, France, 1,998
12. Conchita Martinez, Spain, 1,987
13. Anke Huber, Germany, 1,822
14. Sandrine Testud, France, 1,811
15. Brenda Schultz-McCarthy, Neth., 1,497

TRANSITIONS

BASEBALL
NATIONAL LEAGUE
CHICAGO—Signed OF Matt Mieske to 1-year contract.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
NBA—Suspended Sacramento F Corliss Williamson for 3 games and fined him $15,000 for inflicting altercation and fighting, and Philadelphia F Derrick Coleman for 2 games and fined him $10,000 same Dec. 28 incident.

SPORTS



Ray Stubblebine/Reuters

New Jersey's Sam Cassell, left, fouling Washington guard Rod Strickland

Cakewalks and Wars in Round 2 of Playoffs

By Leonard Shapiro
Washington Post Service

Thirty National Football League teams began the season, but there are just eight left for the second round of the playoffs this weekend.

Oddsmakers think both San Francisco and Green Bay are 13-point favorites at home in the NFC's apparently lopsided matchups. San Francisco plays Minnesota; Green Bay plays Tampa Bay. The AFC semifinals seem better balanced. All four remaining AFC teams — New England at Pittsburgh on Saturday and Denver at Kansas City on Sunday — have legitimate chances to make it to the Super Bowl in San Diego on Jan. 25. Even if the NFC games look to be one-sided, that is still no reason not to delight in some interesting storylines and subplots in all four games.

NFL Roundup

Take the Chiefs-Broncos. The last time the division rivals met, on Nov. 16, Kansas City began its drive to the AFC West championship by rallying, 24-22, on Pete Stoyanovich's 54-yard field goal on the game's last play. Instead of being three games behind the Broncos with five to play, Kansas City trimmed Denver's lead to a single game, then won its last five to win the division and the AFC home-field advantage with a 13-3 record. Kansas City is a two-point favorite over the league's No. 1 offensive team.

Their game Sunday will be the first time they have met in the playoffs, though the Chiefs' coach, Marty Schottenheimer, still has nightmares about John Elway, the Denver quarterback. Twice when Schottenheimer was coach of the Cleveland Browns in the 1980s, Elway led fourth-quarter Denver rallies in AFC title games, keeping Schottenheimer and his team out of the Super Bowl. "If I had all the playoff money John Elway has taken out of my pocket," he said, "I'd be a rich man."

The weeklong buildup could get interesting. Many Broncos are peeved at the Chiefs for what they consider to be cheap shots in the last game. Beforehand, the Kansas City center, Tim Grunhard, said that Schottenheimer had urged his players to go after Elway and said he would pay any fines. Schottenheimer denied all.

"I have a mind like an elephant," said Shannon Sharpe, the Denver tight end. "I don't forget a whole lot. They say forgive and forget, but forgiveness is the Lord's job, and He knows I never forget."

The Patriots, meanwhile, won't forget their last game against the Steelers, on Dec. 13. Eight points ahead with two minutes left, Drew Bledsoe had a pass intercepted and New England yielded a touchdown and two-point conversion with 38 seconds left to send the game into overtime. The Steelers prevailed on a field goal, and it seemed afterward that all of New England came down on Coach Pete Carroll and Bledsoe.

Still, it was New England's only defeat in its last six games, and the Patriots put up a fierce defense against the Steelers' star running back, Jerome Bettis.

But the Steelers won their last seven games at home and are six-point favorites to win No. 8.

The Tampa Bay Buccaneers head to Green Bay to play the Super Bowl champion Packers on Sunday at Lambeau Field. The Packers have won 26 straight at home, and they swept the season series against the Bucs. Tampa Bay has not won a game in 16 attempts when the temperature was 42 degrees or lower, and Green Bay in January is no place for Packer foes.

The Vikings, too, will be hard-pressed to prevail: in San Francisco on Saturday against the well-rested, top-seeded 49ers. Despite their stunning comeback victory over the New York Giants on Saturday, reversing a 16-0 deficit, the Vikings lost five of their last six regular season games and will have a tough time against a superior team that beat them handily, 28-17, on Dec. 7.

A $9.5 Million Bowl Payoff Disappears Very Fast

By Richard Sandomir
New York Times Service

It isn't enough for the Rose Bowl to be the granddaddy of college football bowl games or to host a game on New Year's Day in which a victory by the University of Michigan over Washington State could clinch a national championship. No, the importance of being the Rose Bowl is being able to pay its teams the most money.

Win or lose, Michigan and Washington State will each leave Pasadena, California, with $9.5 million, to be shared with their conferences. The Orange Bowl, the most generous after the Rose Bowl, will pay Nebraska and Tennessee $8.5 million each.

"It's always important, and something we're proud of," said Jack French, executive director of the Rose Bowl. "In my 17 years here, we've had the highest payout in every year but one. Next year, our payouts will be $11 million."

The Rose and Orange Bowls are the culminating events in a 13-day postseason extravaganza that began Dec. 20 with the Las Vegas Bowl, continued with a new entry — the Motor City Bowl at Pontiac, Michigan — forged ahead with the Poulan/Weedeater Independence Bowl at Shreveport, Louisiana, and continued with a dozen games slated between Tuesday and Friday.

The 20-game bonanza will yield about $108 million for the 40 participating teams and their conferences.

The bowl game riches are fueled heavily by television networks that are vying for rabid viewers, although cash from sponsors, licensing and gate receipts are crucial, too.

Of the $108 million total, $69 million is devoted to four games: the Rose Bowl, plus the three bowl alliance games — Orange, Fiesta and Sugar — that teamed up to create a national championship game annually. But the alliance plan has been foiled whenever a No. 1 or No. 2-ranked team has come from the Big 10 or Pacific 10 conferences, whose champions automatically have gone to the Rose Bowl.

When the Rose Bowl joins a refurbished alliance next season, ABC, the U.S. television network, will pay $19 million to show the game, an increase of $4.5 million, French said.

Payouts have been increasing rapidly over the years. In 1980, for example, the Rose Bowl paid each team about $4.5 million, French said.

Twenty-one years ago, the first Independence Bowl paid teams about $25,000 each, said Glen Krupica, executive director of the game. Now, it is $800,000.

"We're one of the smallest metropolitan areas in the United States hosting a bowl game," Krupica said. "And to have survived through the '80s, through difficult times in this region, is a real source of civic pride."

Bowl games look like easy profit centers for participating teams. But not always. The payouts must stretch.

Michigan is in the Big Ten conference, which has 11 teams. From the $9.5 million booty, French said, the 11 teams and the conference office will each get $700,000, and Michigan will probably receive about $1 million in expenses to fly to Pasadena and lodge, feed and entertain a few hundred players, coaches, coaches' spouses, band members and administrators.

Washington State, which is in Pullman, will get about $1.2 million in expenses, leaving $750,000 shares for the 10 teams in the Pacific 10 Conference and the conference office, said Al Ruddy, a Washington State spokesman.

Pullman and Ann Arbor, Michigan, may be a fair distance from Pasadena, but what happens when the trip is from East Lansing, Michigan, to Honolulu?

Well, you don't play for pay. You play for whatever glory you can get, as Michigan State University learned when a full, happy, ready-to-party-and-play contingent from the Big 10 school flew to Hawaii for the Aloha Bowl.

Although the game guaranteed Michigan State $750,000, the school incurred a $150,000 loss. "The air charter alone cost $300,000," said John Lewandowski, Michigan State's sports information director.

Was it worth it? "In terms of rebuilding our program, you can't assess the value of being in a bowl game just by the bottom line," Lewandowski said. "It's a way to keep up our recruiting. There's no better marketing tool."

Lewandowski insisted that the marketing was good, despite the result: The Spartans were thrashed, 51-23, by the University of Washington.

Bowl Games Schedule

THURSDAY, JAN. 1
OUTBACK BOWL
TAMPA, FLA.
Wisconsin (8-4) vs. Georgia (9-2), 11 a.m.
GATOR BOWL
JACKSONVILLE, FLA.
N. Carolina (10-1) vs. Virginia Tech (7-4), 12:30 p.m.
CITRUS BOWL
ORLANDO, FLA.
Penn State (9-2) vs. Florida (9-2), 1 p.m.*
COTTON BOWL
DALLAS
Texas A&M (9-3) vs. UCLA (9-2), 1:30 p.m.
ROSE BOWL
PASADENA, CALIF.
Michigan (11-0) vs. Washington State (10-1), 5 p.m.
SUGAR BOWL
NEW ORLEANS
Florida State (10-1) vs. Ohio State (10-2), 8 p.m.
FRIDAY, JAN. 2
PEACH BOWL
ATLANTA
Clemson (7-4) vs. Auburn (9-3), 3 p.m.
ORANGE BOWL
MIAMI
Nebraska (12-0) vs. Tennessee (11-1), 8 p.m.
*All times EST.

So Much for Strategy: Mavs Foul, Rodman Hits

The Associated Press

CHICAGO — Dallas adopted the Bubba Wells Strategy to stop the Chicago Bulls. It didn't work.

Wells, of the Dallas Mavericks, fouled Dennis Rodman repeatedly on Monday night to force Rodman, a poor free-throw shooter, to go to the line. But Rodman made the shots.

"Nothing gets to Dennis Rodman," Rodman said after going 9-of-12 from the free-throw line in a performance that helped the Bulls beat the Mavericks, 111-105.

NBA Roundup

Rodman had 11 points, 27 rebounds and 8 assists.

Michael Jordan scored 41 points for his 787th consecutive double-digit scoring game — to tie a National Basketball Association record — as the Bulls stretched their winning streak to eight games and handed Dallas its 12th straight loss.

Don Nelson, the Mavericks' coach, adopted an unusual strategy in an attempt to end that streak.

Wells, a rookie who has played only 45 minutes all season, fouled Rodman six times well away from the ball.

"We get beat every night anyway," Nelson said. "Hey, it didn't work, but I'll do it again. It's probably better than Michael making every shot.

"You don't have to be too smart to see a guy shooting 39 percent" from the free-throw line and the Bulls scoring 1.2 points per possession, Nelson said. "Do the math and it's not close."

The Bulls' coach, Phil Jackson, said Nelson told the referees of his plan before the game.

Jackson told Rodman, "Be prepared to shoot some foul shots.

"I think Don Nelson is a great coach," Rodman said. "I respect him, but that was a crazy, crazy game plan. It's ridiculous to embarrass a player like that."

And Wells was embarrassed. He fouled out in just three minutes of playing time, breaking the 41-year-old NBA record of five minutes set by Dick Farley of the Syracuse Nationals.

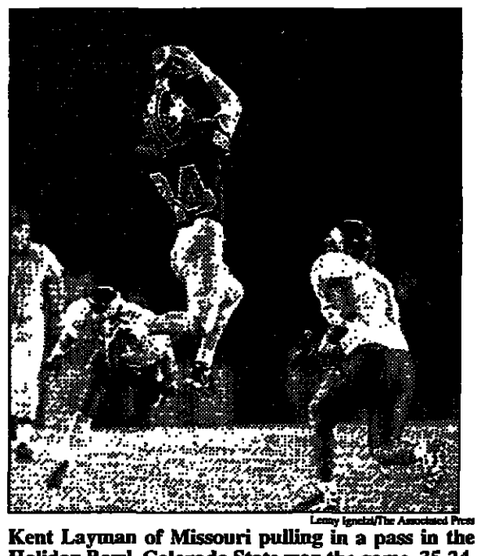
Jordan matched Kareem Abdul-Jabbar's string of double-figure performances. Jordan can break the mark Tuesday night at Minnesota. He last failed to score at least 10 points on March 22, 1986.

In the last two games, he is 34-for-55 from the floor after shooting 42 percent in the first 27 games. And Rodman, leading the NBA in rebounding for the seventh straight season, is averaging 20 off the boards over the last 10 games.

Michael Finley scored 23 points and Khalid Reeves 22 for the Mavericks.

Hornets 120, Rockets 101 David Wesley scored 21 of his season-high 32 points in the first quarter as Charlotte ended its three-game road losing streak. The Hornets went 12-for-18 on 3-point attempts and shot 60 percent overall. Del Curry scored 23 points and Anthony Mason had 20.

Nets 99, Wizards 91 Keith Van Horn had 32 points and 10 rebounds as the Nets reversed their most lopsided loss of the season. Van Horn, a rookie, was 10-for-19 from the field and 10-for-10 from the line as New Jersey beat visiting Washington. The game included 57 personal fouls, 37 turnovers and both teams made only about 40 percent of their shots.



Lenny Ignelzi/The Associated Press

Kent Layman of Missouri pulling in a pass in the Holiday Bowl. Colorado State won the game, 35-24.

Colorado State Holiday: A Victory Over Missouri

The Associated Press

SAN DIEGO — Darran Hall, a San Diego native, had two big plays as Colorado State beat Missouri, 35-24, in college football's Holiday Bowl.

Hall scored on a 14-yard reverse on the game's first drive Monday and then gave the Rams the lead when he scored on an 85-yard punt return in the third quarter.

Colorado State (11-2 and ranked No. 18) won its ninth successive game. Missouri (7-5 and ranked No. 19) was in its first postseason game since 1983.

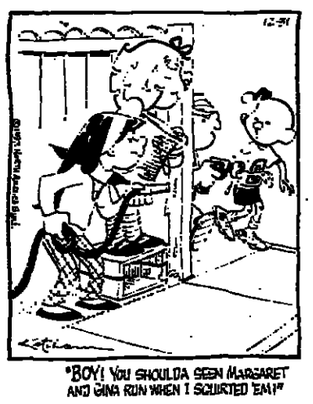
Georgia Tech 35, West Virginia 30 Joe Hamilton passed and ran for 356 yards and three touchdowns in the Carquest Bowl as the Yellow Jackets handed the Mountaineers their seventh straight postseason loss.

The game between 7-5 teams drew only 28,262 fans — the smallest crowd in the bowl's eight-year history.

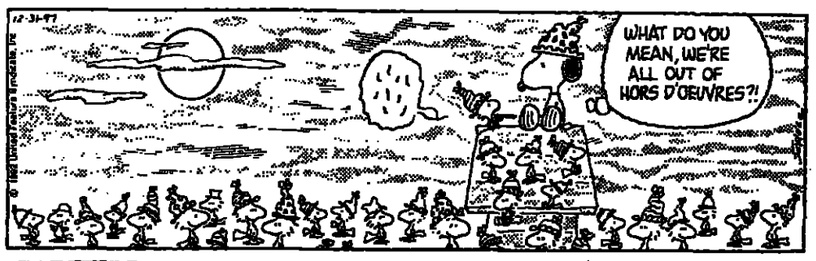
Cincinnati 35, Utah St. 19 Chad Plummer passed for 62 yards, ran for 53 yards and caught four passes for 64 yards as Cincinnati beat Utah State in the inaugural Humanitarian Bowl at Boise, Idaho.

It was the first postseason victory for the Bearcats (8-4) since the 1949 Glass Bowl. They hadn't been to a bowl game since 1950 — the longest absence in major college football.

DENNIS THE MENACE

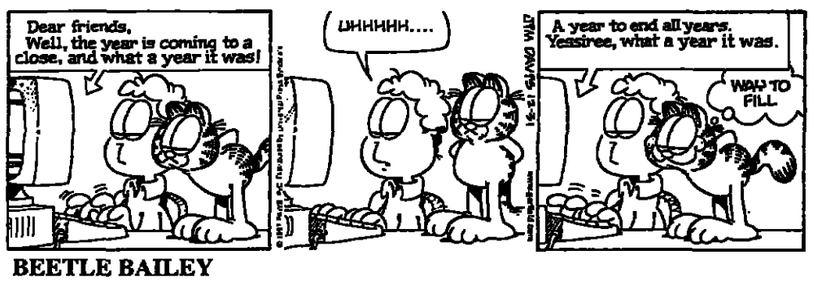


PEANUTS

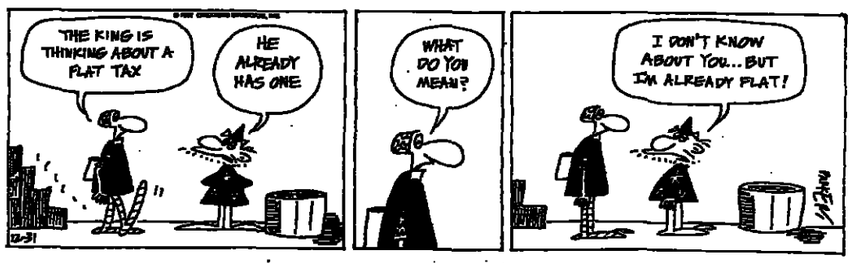


CALVIN AND HOBBES

GARFIELD



WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NORST
GUBYL
LOCCIA
REBAWE

WHAT SHE DID WHEN THE WIND BROKE HER BEACH UMBRELLA

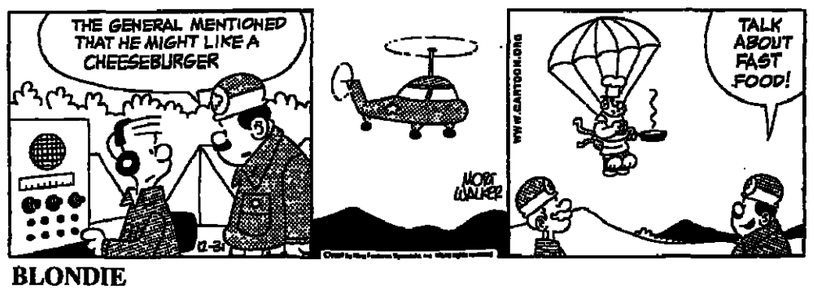
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A _____ _____ _____

(Answers tomorrow)

Yesterday's Jumbles: MERGE RAINY ADROIT LIQUID
Answer: This will avoid a blow – HATRIMONY

BEETLE BAILEY



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1997 According to Dave Barry: Lost in Space, and on Earth

MIAMI — What kind of year was 1997? It was — in the immortal words of Al Gore, who began 1997 as a serious presidential timber and ended it fleeing through swamps pursued by federal dogs — a year with no controlling legal authority.

Most important of all, it was a year that, thank God, had only 12 months, because that was frankly all we could take. In case you've forgotten how weird 1997 was, let's take just a moment to review the major news events, starting with:

JANUARY

The year gets off to a less-than-ideal start aboard the troubled Russian space station Mir as cosmonaut Yuri Hackov opens a bottle of champagne to celebrate the New Year, only to have the cork blast through the space-station wall, leaving a hole that would have sucked out all the air in minutes if cosmonaut Vladimir Fishkillnakov had not alertly plugged it with a wad of gum that he had been chewing since August in anticipation of just such an emergency.

TRUE ITEM: Mattel is forced to recall its popular motorized Cabbage Patch Snacktime Kids doll because of its tendency to chomp on children's hair and not let go.

Democrats and Republicans, finally putting behind them the slimy excesses of the 1996 political campaigns, roll up their sleeves and get to work on the difficult but necessary task of raising money for more campaigns.

In his second inaugural speech, President Bill Clinton, continuing his search for a popular issue that will assure him of a place in history, pledges to appoint a federal commission to "find out how come candy bars are getting smaller."

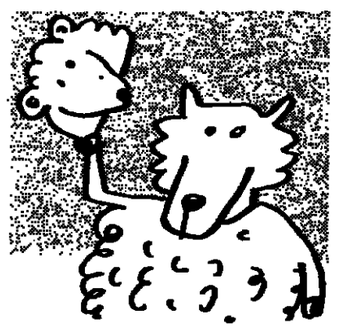
FEBRUARY

Bad luck once again strikes the troubled Russian space station Mir when the main navigational computer is eaten by a rat. Fortunately, the plucky cosmonauts are able to navigate the craft manually, taking star sightings by holding their breath and sticking their heads out the cabin window for what a Russian space agency spokesperson describes as "very brief periods."

In other science news, a group of Scottish genetic researchers, after a long night of drinking Scotch, hatch a plan to tell the news media that they have cloned a sheep named "Dolly." The news media naturally accept this claim with no proof whatsoever, and within hours the entire world has been bombarded with images of Dolly, who is immediately signed to a seven-figure deal to write a book in which she is expected to reveal that she was abused as a lamb.

In a Los Angeles courtroom, O.J. Simpson's legal fortunes take a turn for the worse when members of a civil-trial jury, after carefully weighing the evidence, attempt to kill him with a chair. As the trial ends, experts fear the U.S. economy will suffer because of layoffs in the massive O.J. Industry, which currently employs one-third of the nation's media and legal professionals.

On the political front, President Clinton, in a press conference originally intended to launch his potentially historic



War on Toenail Fungus, winds up answering pesky press questions about reports that his 1996 campaign raised money by selling sleepovers in the Lincoln Bedroom for $50,000 a pop. The president states that he has "no clear recollection" of running for president in 1996 and "definitely cannot recall meeting anybody named Lincoln."

MARCH

Problems continue to plague the troubled Russian space station Mir when all power is suddenly shut off as a result of an apparent failure by the Russian space agency to pay its electrical bill. Disaster is temporarily averted when an emergency crew arrives with a carpet, which enables plucky astronauts to generate their own static electricity by scuffing their feet.

TRUE ITEM: In Somerset, Massachusetts, police charge a woman with assault after she allegedly clubs her estranged husband to the floor with a Tickle Me Elmo doll.

In the Academy Award ceremonies, "The English Patient" wins the coveted Oscar for Best Picture Lasting Longer Than Dental School.

APRIL

History's first "space burial" takes place when a commercial rocket blasts off carrying a satellite containing the ashes of 24 deceased people whose wish was to spend all of eternity peacefully orbiting the Earth. Everything goes smoothly until the satellite slams through the wall of the troubled Russian space station Mir, where efforts by plucky cosmonauts to repair the damage are hampered by the fact that they keep inhaling and sneezing out tiny fragments of "Star Trek" creator Gene Roddenberry.

In golf, Tiger Woods wins the Masters and is awarded the traditional green Nike logo. Shortly thereafter, Fuzzy Zoeller lowers the sport's previous one-day IQ record, with a 53.

In Lima, Peru, a lengthy and grueling hostage crisis at the Japanese Embassy ends suddenly and dramatically when Peruvian troops, in a daring, carefully planned mission requiring split-second timing, ring the doorbell and shout "Pizza delivery!"

MAY

In a highly controversial decision that, according to critics, is proof that the military justice system is out of date, the Air Force announces that it will court-martial bomber pilot Kelly Flinn on charges of being a witch.

England manages to pick candidates, hold a nationwide campaign, elect a new prime minister and swear him into office in less time, and for less money, than it takes Americans to agree on a date for the New Hampshire primary.

Meanwhile, alarmed meteorologists in the Pacific report that El Nino has escaped and may be heading toward the U.S. mainland. In celebrity news, Donald and Marla Trump, ending weeks of speculation, announce through a spokesperson that they are "both as shallow as bottle caps."

JUNE

In San Diego, El Nino robs a drugstore.

Pol Pot is ousted as leader of Cambodia's genocidal Khmer Rouge and is immediately hired to lead the U.S. Internal Revenue Service's Compliance Division. And in Hong Kong, elaborate ceremonies mark the end of British rule over the colony, which is formally turned over to the Nike Corp.

Jacques Cousteau free dives into eternity.

In sports, "Snacktime Mike" Tyson, in a fight with Evander Holyfield, commits an act so despicable, so repugnant, so loathsome, that the boxing authorities will probably not permit him to make millions of dollars boxing for, gosh, months.

JULY

The NASA Mars probe Pathfinder lands on the Red Planet after a harrowing approach in which it narrowly misses the problem-plagued Russian space station Mir, which has wandered several billion miles off course after losing power to its thruster rockets, forcing the plucky cosmonauts to steer the craft by squirting condiment packets into space. Upon landing on Mars, Pathfinder releases its rover vehicle, Sojourner, which — in a demonstration of superb design and engineering — runs into a rock, deploys its air bag and files a lawsuit.

In weather news, El Nino releases a "gangsta rap" album entitled, "2 Warm 4 Da Latitude."

In entertainment news, final credits roll for Jimmy Stewart and Robert Mitchum. Charles Kuralt takes the ultimate road trip.

AUGUST

When a strike against UPS results in major headaches for businesses as well as sporadic acts of violence, the worst coming when angry strikers attack the troubled, and seriously off-course, Russian space station Mir as it inadvertently crosses a picket line in Akron, Ohio.

On the 20th anniversary of his death, Elvis celebrates with friends at a quiet affair catered by Pizza Hut.

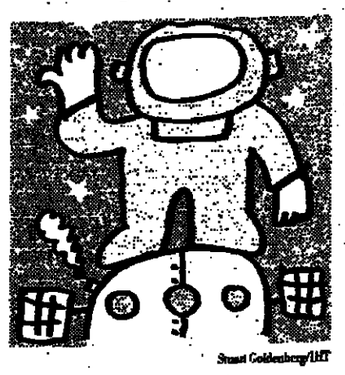
In a deal that stuns the computer world, two long-time rivals, Apple and Microsoft, announce that they are joining forces; both companies immediately develop a virus.

Weather experts become increasingly concerned when El Nino applies for a job as a postal clerk.

The month ends with pretty much the whole world watching TV and weeping.

SEPTEMBER

The TV drama "ER" is broadcast live, an event that receives more media attention than Mother Teresa's entire career. The broadcast goes smoothly until actor George Clooney, pretending to



Stuart Goldenberg/IHT

be a doctor administering medical care, accidentally cuts off the head of an actor pretending to be a victim.

Chelsea Clinton enrolls in Stanford, where authorities insist that she "will be treated no differently from any other student whose father has the authority to launch nuclear strikes."

The final curtain falls for Red Skelton, Freddie the Freeloader and Clem Kadiddlehopper. Burgess Meredith goes to That Big "Rocky" Sequel in the Sky.

OCTOBER

President Clinton is fitted with hearing aids, and he is able to actually hear the questions at press conferences. "Whitewater?" the president exclaims. "Shoot, all this time I thought you were asking me about my DAUGHTER." Everybody enjoys a hearty laugh.

In college football, Chelsea Clinton is named starting quarterback for Stanford.

In entertainment news, the Media Hype Legal Event of the Month for October is "The Nanny Trial," which is watched closely by audiences on both sides of the Atlantic, and which ends on a surprising and controversial note when an outraged O.J. Simpson vows to "find the nanny who is REALLY responsible."

NOVEMBER

Chelsea Clinton is named dean of Stanford Law School.

TRUE ITEM: The federal government, having mandated that, for safety reasons, cars must have air bags, announces a program under which consumers can apply for permission to install switches that will disable their air bags so that they will not be injured or killed by them. In an effort to make this issue as confusing as humanly possible, federal safety authorities declare that this latest move will probably cost more lives than it saves.

In the month's top "human interest" story, an Iowa woman gives birth to septuplets, then attempts to slug President Clinton when he tells her that he feels her pain.

El Nino is elected president of the Teamsters.

DECEMBER

The U.S. Supreme Court, in a decision that observers believe may herald a more liberal era, votes, 7 to 2, to get nose rings. In Los Angeles, a low-speed police freeway pursuit of a white Ford Bronco results, finally, in the capture of El Nino.

On the entertainment front, the seemingly ageless Rolling Stones tour America to promote their new CD, entitled "We Can't Remember the Name of Our New CD."

At Stanford University, Chelsea Clinton turns in her first English paper and receives a Nobel Prize.

The season is celebrated aboard the troubled space station Mir, which turns out to be unfortunate inasmuch as two of the major elements of a traditional Russian Christmas celebration are (1) drinking vodka, and (2) lighting candles. As the resulting on-board fire rages out of control, plucky cosmonauts are able to get into an escape pod and jettison from the doomed station; Russian space authorities are unable to maintain radio contact, but report that the cosmonauts appear to be headed toward "a safe landing on the island of Montserrat."

Happy New Year.

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SATIRE

A Mellowed Artist Who Has Stopped Spewing Anger

By David Streitfeld
Washington Post Service

MAIDSTONE, England — Ralph Steadman has always been big on vomit. Long before he became one of the best-known artists in Britain, he was filling magazines and books with caustic, often brutal drawings of people expelling the contents of their stomachs.

In "Ralph Steadman's America," he sums up the Watergate hearings by showing John Ehrlichman and his lawyer simultaneously gushing into each other's lap. In his classic illustrations for Hunter Thompson's "Fear and Loathing in Las Vegas," a character barfs onto the occupants of a passing car. In "The Big I Am," a retelling of the Creation story, God himself retches the universe into existence, "vomiting all out into an uncaring void."

The world, it seems, disgusted Steadman, and so he made it look disgusting. He had the zeal of a social reformer, fearlessly wielding his brush to highlight hypocrisy and injustice. When the world failed to respond by shaping up, it only made him more furious. Spewing became Steadman's signature effect, as recognizable as a Degas dancer or a Monet water lily.

Was it fate, then, or merely a heck of a coincidence that one night Steadman himself started vomiting and did not stop until he was nearly dead?

This happened about a decade ago, after Steadman turned 50. He said he wasn't fat but during a publishing meeting in London a woman he knew called him that, perhaps affectionately.

"I'm still strong," the artist protested. "Go ahead — punch me."

So she did, a little higher and harder than he expected. Not a big deal, one might think, but Steadman says it had some strange consequences.

That evening, he was staying in the city with a friend. By the middle of the night, he felt distinctly queasy. He tried to make himself a cup of tea, but threw up instead. And a second time. He was vomiting blood. He woke his host, and asked for a ride to the hospital.

"Got a drink problem?" the examining doctor asked, puzzled where the blood was coming from.

"Only when I can't get it," Steadman replied. He felt better, and was discharged. But by the time his friend drove him home, the trouble had started again. They stopped frequently. "Half my blood was in my stomach, the other half on the pavement," the artist recalled. By the time he made it to a second hospital, he said, he had zero blood pressure. It turns out the stray punch had ruptured his esophagus.

Janet Jarman for The Washington Post

Ralph Steadman in his studio in front of an unfinished painting.

He is much better now. He knows the moral. "Avoid violence." He paused, adding, "Avoid asking people to be violent."

There goes the work of a lifetime. After decades as a cult hero for his in-your-face black-and-white work, most famously in the drawings for the various "Fear and Loathing" projects published in Rolling Stone, Steadman has softened his style and dramatically expanded his audience. A lot of it is due to his becoming the official artist for Oddbins, a prominent British chain of wine merchants.

He has recently published two oversize tributes to wine and whiskey, full of sprightly color drawings. And he has written a children's book about a cat that does not show the beast regurgitating a single hairball. The conclusion is inescapable: At 61, Steadman has mellowed.

"The violence is there, but I suppose it's tempered or directed," he said. "Maybe I got scared of the violence."

Certainly the violence scared others, or at least alarmed them.

In 1970, Steadman met Thompson. "I was a genuine innocent abroad," Steadman said. "I was pretty gullible and prepared to go along with something that seemed like a good idea. Just trying to do a job, that was me. And then I meet this ex-Hell's Angel who had just shaved his head."

In England, Steadman had worked as a rat catcher, wall-of-death cleaner at a motorcycle track, gardener — the usual array of eclectic jobs. Nothing, however, prepared him for the rawness of American life. And nothing prepared him for Thompson, who could find the edge only by going over it.

Writer and illustrator were on assignment to cover the Kentucky Derby for a short-lived, hip magazine, Scanlan's Monthly. They wandered around, drinking and trying to endure the prerace craziness. Steadman would sketch faces at parties.

In failing to conventionally cover the Kentucky Derby, they did it so brilliantly that a new word, "gonzo," was born. Within a couple of years, it was in the dictionary, defined as "idiosyncratically subjective but engagé."

"It never leaves you, that nagging urge to comment on society's bloody nonsense and its phony moralizing and pious indignation," Steadman wrote in an autobiographical essay in the mid-'80s. "That's my job — to moralize and be piously indignant."

But it does leave. The notion of the angry artist became passé sometime during the '80s, replaced by the artist as entrepreneur. Steadman is now making art out of wine. Literally.

"It's a lovely color, not red, not brown," he said. "I'll tell you what it's a little like — dried blood."

He is growing his own wine grapes, a task for which the English climate is completely unsuited.

"I really wanted to be an alchemist, someone who could change base metals to gold," Steadman said. "I knew I couldn't do that, so I'd change base fruit into a kind of gold, which is wine. It's not art, it's not composition, it's decomposition, putrefaction. But it is like art — I love it when you get something juicy happening."

PEOPLE

THE film "Titanic" soaked up $44.6 million dollars at U.S. box offices over the long Christmas weekend, breaking two records. The epic movie, directed by James Cameron, cost more than $200 million to make. It has hauled in $88.4 million dollars since it opened Dec. 19, according to Exhibitor Relations, which tallies box-office receipts. The previous records had been set by "Scream 2" and "Godfather 3."

□

She ordered fish and chips, took an interest in a 15th-century pub, brought a party of eight including two children — and to the manager looked "just like your favorite grandmother on a day out" in Cambridge, England. Except that there were some tall men with small microphones around — and she was the U.S. secretary of state, **Madeleine Albright**. "She was just lovely," said the manager, **Peter Hill**, recalling Albright's unannounced lunchtime visit to his pub, The Eagle. "She was enjoying herself," he said, adding, "She was so relaxed, and made me feel completely at ease."

□

The family of the slain fashion designer **Gianni Versace** dropped its objection to the release of hundreds of police files on his killing, but filed a suit to prevent autopsy photos from being released. The family had been fighting for months to stop the designer's personal and financial information from being disclosed by the Miami Beach police.

□

Bugs Bunny bounced to first place among new U.S. postage stamps, with 45.3 million stamps collected in 1997, but **Elvis Presley** remains the all-time king, with 124 million stamps collected since they were issued in 1993.

□

When his novels are adapted for the big screen, **Elmore Leonard** rolls with the changes. For **Quentin Tarantino's** version of "Rum Punch," the title became "Jackie Brown," the setting flip-flopped coasts and the lead character changed name and race. Leonard didn't flinch. "Going in, I know what can happen," he told the Chicago Tribune. "Quentin stuck with the plot and made something out of it." The 72-year-old writer also inspired the hit movie "Get Shorty," to which he is now writing the sequel.

Herwig Prammer/Reuters

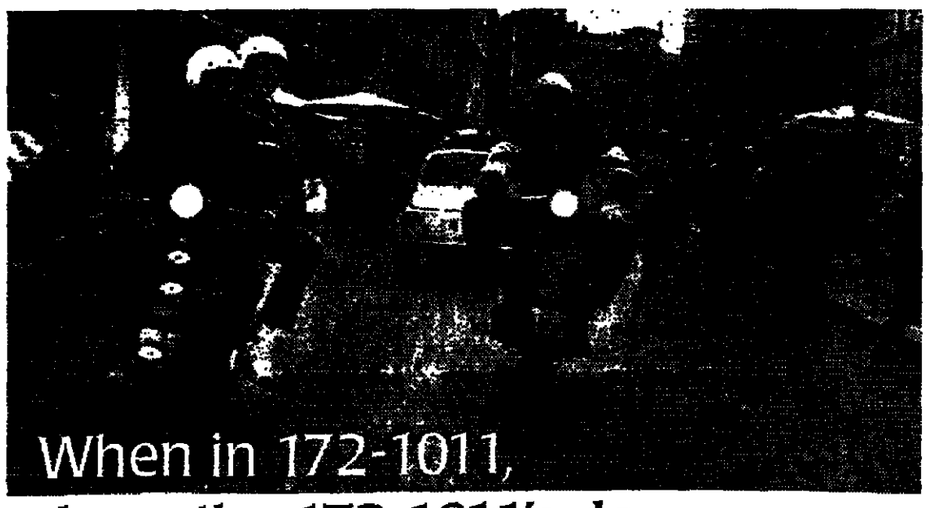
DRESS REHEARSAL — Zubin Mehta conducting the Vienna Philharmonic Orchestra with a signaling horn during preparations for the New Year's Concert.

□

Mick Jagger, who plays a cross-dresser in "Bent," the film version of a play by **Martin Sherman**, says he is "happy in drag." "I loved dressing up, finding the right costumes," Jagger told USA Today newspaper. "I started off with short dresses, which I knew I wouldn't get to wear. But I looked a lot better in short dresses, to be perfectly honest." The movie, directed by **Sean Mathias**, is about the persecution of homosexuals in Nazi Germany.

□

Pamela Anderson Lee gave birth at her home in Malibu, California, to her second child, **Dylan Jagger Lee**. The former star of "Baywatch" and her husband, the rock musician **Tommy Lee**, have another son, 18-month-old **Brandon**.



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